

World News

European TV code hits last-minute objections

Proposed common European rules for cross-frontier television broadcasting ran into serious last-minute objections at a meeting of EC Trade and Industry Ministers.

The television plan encountered a blocking minority only three months after a qualified majority of governments gave it initial blessing. New objections emerged from France, the Netherlands and Greece.

Students arrested
China arrested two top leaders from the banned Autonomous Student Union, Zhou Pengou, a physics student at Qinghua University, and Xiong Yan, a law student, at Peking University, after launching a nationwide search for 21 leaders.

Tokyo inquiry
Japan's Ministry of Finance, which is known to be unhappy about the recent rise of the dollar against the yen, has begun probing into the currency dealing operations of a number of life insurance companies.

Envoy summoned
British Foreign Office called in Iraq's ambassador to London to express concern about the fate of thousands of Kurds facing deportation from their homes in the north of Iraq.

Cools may be freed
A clandestine group in Lebanon said it would free Belgian Jan Couck, kidnapped last year in Lebanon, in response to an appeal by Libyan leader Muammar Gaddafi.

EFTA policy agreed
Ministers from the six member states of the European Free Trade Association agreed to strengthen the organisation ahead of talks with the European Community.

Soviet gas explosion
Seventy people were taken to hospital with suspected gas poisoning after a tank of chlorine exploded near Khabarovsk in the Soviet Far East.

400 poachers held
Tanzania has arrested more than 400 big game poachers in response to mounting global pressure to ban ivory trading.

Titan-4 blasts off
The \$220m Titan-4 rocket blasted off from Cape Canaveral and deployed a secret military payload believed to be an advanced satellite for nuclear attack early warning.

Soldiers ambushed
The Tamil Tigers, fighting for a separate homeland for Sri Lanka's minority Tamils, said they had killed 14 Indian soldiers in an ambush in fierce fighting in the north of the country.

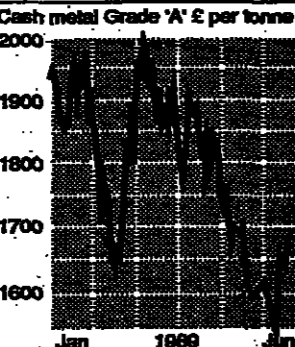
Reagan 'knighted'
Former US President Ronald Reagan was made an honorary knight by Britain's Queen Elizabeth and he will carry the title Honorary Knight Grand Cross of the Most Honourable Order of the Bath.

Business Summary

Saatchi to restructure business as profits dip

SAATCHI & Saatchi, world's largest advertising agency, is to "refocus" its business on communications and exploring the possibility of floating or selling its consultancy arm.

Copper
The LME cash price for Grade A copper closed \$1.50 up at \$1,555 while three-month futures increased by \$4.50 to \$1,655.50. The market was



DRESDNER BANK and Banque Nationale de Paris (BNP), the second biggest banks in West Germany and France respectively, have appointed

AUSTRALIAN Stock Exchange relieved pressure on Goodman Fielder Wheat, Australia's food group, over its controversial \$1.76bn takeover bid for

INDIAN Government is relatively permitting equity investment by foreign firms in manufacturing and services, taking a more liberal approach

SHAKES in Abbey National, Britain's first building society to convert to a public company, are likely to be raised

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Airlines to ground 737-400 fleets for engine modification

AIRLINES around the world yesterday acted to ground most of the world's fleet of Boeing 737-400 aircraft after three separate incidents involving aircraft flying for British airlines, including one which crashed on to a motorway in January killing 47 people.

Declining trade surplus raises hopes in Tokyo

JAPAN'S trade surplus dropped 27 per cent in May to \$9.2bn, according to the latest official figures, raising hopes in Tokyo that a year on year decline in the trade surplus was beginning.

Two leading Spanish savings banks in \$30bn merger talks

SPAIN'S biggest and third largest savings banks, the Caja de Pensiones (La Caixa) and the Caja de Ahorros de Barcelona, have begun detailed merger talks that could result in the creation of the country's biggest financial institution.

UK admits obligations to possible Hong Kong refugees

SIR Geoffrey Howe, the British Foreign Secretary, yesterday admitted for the first time that if Hong Kong inhabitants tried to exercise their rights as refugees after the transfer of sovereignty of the colony to China in 1997 Britain would have to respond.



Half of Soviet ministers lose jobs in reshuffle

MORE THAN half of the ministers in the Soviet Government appear to have lost their jobs in the massive shake-up announced by Mr Nikolai Ryzhkov, the Prime Minister, last week.

MARKETS

Singapore Straits Times Index	1820
New York	2,245.00
DOLLAR	148.20
INTEREST RATES	
US 3-month Treasury Bill	8.40%
London 3-month interbank	14.5%

STEWART

New York	2,245.00
DOLLAR	148.20
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STOCKS

New York	2,245.00
DOLLAR	148.20
INTEREST RATES	
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EUROPEAN NEWS

Efta to strengthen itself ahead of EC talks

By Robert Taylor in Kristiansand

MINISTERS from the six members of the European Free Trade Association agreed yesterday, despite Swiss reservations, to strengthen the organisation ahead of negotiations with the European Community.

majority voting in the Efta council on such matters as industrial subsidies. At present the six states - Sweden, Austria, Finland, Iceland, Switzerland and Norway - make decisions unanimously.

Throughout the ministerial conference, the Swiss Government took an increasingly intransigent line, to the irritation of other Efta members, over the pace of EC-Efta convergence. With more bilateral deals signed with the EC than other Efta states, Switzerland is keen to the establishment of supra-national bodies.

expressed disapproval of the general Efta line. A carefully drafted final communiqué said that "the need for adjusting Efta's institutional structure and negotiating mode could emerge as a result of the exploratory talks now initiated with the EC on a more structured relationship".

removal of "trade distorting government aid measures within Efta and the EC". The ministers also approved an outline plan for creating a system of surveillance and enforcement to be introduced inside Efta on the question of state aid to industry.

A time for greatness of vision in the West

AMIDST THE cataclysmic seismic shifts on the international scene, so discouraging Mrs Thatcher's lone ideological opposition to the draft Community Charter of Fundamental Social Rights put forward by the European Commission.

It is the lack of this kind of breadth of vision, which makes so discouraging Mrs Thatcher's lone ideological opposition to the draft Community Charter of Fundamental Social Rights put forward by the European Commission.

employment is likely to be a scourge for years to come. Mrs Thatcher's stance may not have any significant impact on Community policies; but the political effect is an impression of daunting inhumanity.



Swing to left likely in European elections

A SLIGHT overall swing to the left is expected in European Parliament elections, which take place today in the UK, Ireland, the Netherlands, Spain and Denmark, and on Sunday in the other seven EC states, writes David Buchanan.

None of the official results, which pundits predict will show Socialist or allied parties losing less in the south of Europe than they gain in the north, will be declared until the last polling station closes in Italy on Sunday at 10pm local time.

Some pan-European themes have emerged in the latest pan-European opinion polls: moves towards federalism via the Delors committee report on economic and monetary union; whether Europe's single business market should be given a social dimension; and EC action to preserve the environment.

Nowhere have EC, as distinct from national, issues been more prominent than in the UK, with Mrs Margaret Thatcher's public differences with members of her own government, and party, over aspects of EC policy.

The fact that Ireland, Greece and Luxembourg are holding national elections on the same day as their Euro-poll has made national preoccupations clearly predominant in these states.

But the general tenor of the 12-nation campaign has been more pan-European than in 1984. Just before that election, the Parliament voted for a "wider treaty" of European union, seeking to make that the prime election issue.

The idea became the germ of the Single European Act, but failed in its electoral purpose to catch voters' imagination. The 1984 campaign framed almost exclusively on national issues, and voter turnout fell slightly from the 1979 election to an average of 61 per cent.

THE NEXT PHASE OF NATIONAL RECOVERY



Cold blast from the Irish countryside

By Kieran Cooke in Dublin

THERE IS a deal of difference between the city and the country. No one has come to know that better in recent weeks than Mr Charles Haughey, Ireland's Prime Minister.

Ireland has a general election today, and he is seeking to win a majority for his two-year-old minority Fianna Fail party government.

He has based his campaign on his Government's achievements on the public finances. Fianna Fail had saved Ireland from bankruptcy, said Mr Haughey. A radical programme of public expenditure cuts had restored economic health.

At first, Mr Haughey seemed to be having it all his own way. His popularity remained high. Three weeks ago he looked assured of a majority, something which has eluded him in four previous electoral outings as Fianna Fail leader.

But then, angry reports started arriving from the country. Mr Haughey, sitting in Dublin with his close-knit team of advisers (described as "the aftermath brigade" by one rural voter) was accused of being out of touch. For two years the Prime Minister had busied himself with matters of

high finance in Dublin. He had become statesmanlike but remote, even, said some, a trifle pompous. Burning local issues had been brushed aside.

Mr Haughey has been forced to admit that he was unaware of the full extent of the difficulties and hardships caused to the health service by public expenditure cuts. A dispute over the Government's introduction of fishing licences has caused mayhem in many communities in the west of Ireland.

Steadfast Fianna Fail supporters in these areas say they will not vote for the party this time. Again, Mr Haughey, who confessed to being baffled by the "Rod War", has been seen to be out of touch.

A bitter dispute about pay in Ireland's armed forces has become another election issue. Unemployment (at 18 per cent) and continuing emigration have come to haunt Mr Haughey. Fianna Fail party workers confess to being surprised by the anger and cynicism they have found on the doorsteps.



Mr Haughey says he cannot perform miracles overnight. The Government needs a majority to tackle the next phase in the programme. Thousands of jobs will then be created and there will be an end to involuntary emigration.

Fianna Fail started this election campaign with a low opinion of the opposition. But Fine Gael, the main opposition party, has fought very professionally. Mr Alan Duker, fighting his first election as Fine

Gael leader, has proved himself a tireless campaigner. An alliance between his party and the small Progressive Democrats could well deny Mr Haughey his majority.

Irish elections, run on a proportional representation system with multi-seat constituencies, are a complex affair. The much put-upon Irish voter is also faced with European elections today. Other voters, in Gaelic-speaking areas, face a third election for some of their local representatives.

A conclusive result is not likely much before Saturday morning. Many people said they did not want a general election, and polls show that there are still a lot of undecided voters. The indications are that Fianna Fail will head the poll. But the odds are that Mr Haughey will end up where he was three weeks ago, forced to form another minority Government.

The opposition has supported the Government over the past two years. It said Mr Haughey was wrong to call an election, and has warned that a minority Fianna Fail administration could not expect its support in future.

If looking increasingly as though Ireland is in for a period of political instability.

Time out with the workers

David Goodhart in Bonn

FOR the last two days of his West German visit, President Mikhail Gorbachev has spent most of his time with the bosses. Now it's the workers' turn.

Today he addresses a mass meeting of 7,000 steelworkers in Dortmund - including the elite of organised labour in the Ruhr, West Germany's industrial heartland.

For Mr Gorbachev's advisers, the image of worker stretching out to worker in pursuit of the "Common European House" was valuable enough to justify foregoing a trip to Siemens in Bavaria and irritating - initially - the Bonn Government with this departure from state visit protocol.

Mr Werner Nass, the tanned 49-year-old union official, who invited "Gorbi" - as he calls him - to Dortmund, has only had to deal with the disappointment of his own I O Metall which prefers to make foreign policy at union HQ.

was briefly a professional wind-surfer in Australia. Mr Nass is neither a Marxist nor a wind-surfer. But he is a member of the Social Democratic Party and conscious of its international traditions. He is also well-paid, self-confident, and as modern as the plants most of his members work in.

And it is modern public relations thinking that brings Mr Gorbachev to Dortmund for exactly 80 minutes today. For Mr Nass, head of the works council at steel group Hoesch, decided that "we had to do something unusual to draw attention to the threat to jobs in steel back in 1987".

A bitter dispute about pay in Ireland's armed forces has become another election issue. Unemployment (at 18 per cent) and continuing emigration have come to haunt Mr Haughey. Fianna Fail party workers confess to being surprised by the anger and cynicism they have found on the doorsteps.

He proudly displays the original letter which heartily supports Mr Nass's moans about the EC and talks of the opportunities "extending from the Atlantic to the Urals."

Since the exchange of letters Mr Nass and various colleagues have visited the Soviet Union three times as the guest of the Government over. During those visits the possibility of a return visit from Mr Gorbachev began to harden.

Mr Nass, a mechanic who has been a full-time union official since 1976, does not expect new jobs tomorrow from his initiative and stresses that an economic relationship cannot be "a one-way street of advantage to us." But he believes it is an important political gesture from a group of workers with a "special political consciousness."

He traces that political consciousness to the leading role that Ruhr employers played in supporting the Nazis and the extra rights that organised labour subsequently enjoyed after the war. "We demonstrated in support of Willy Brandt's Ostpolitik and now we have a special interest in peace politics," he says.

But in Dortmund he seems to be preaching to the converted. "We demonstrated in support of Willy Brandt's Ostpolitik and now we have a special interest in peace politics," he says.

Sweden to introduce tax reforms

By David Bartel in Stockholm

BUSINESS TAXES in Sweden will be reduced from 52 per cent to 30 per cent, effective from January 1 1991, according to the terms of a far-reaching proposal presented yesterday by a non-partisan parliamentary committee.

The aim of the tax reform is to increase the volume and quality of investment, and to improve the flow of capital. To finance the tax cuts the tax base will be broadened, the investment fund system will be discontinued, and inventory write-down will be abolished.

The Swedish investment fund system, which dates back to 1986, allows corporations to make tax deductible allocations to investment funds during years of high profit.

Banks are expected to be especially hard hit by the proposals. In the future, banks and other financial institutions will no longer be allowed to make allocations to untaxed reserves linked to holdings of loans receivable, bonds or currencies.



CROSSING THE BORDER: An ethnic Turkish woman carries her bundles of clothes and goods across the Bulgarian border at Kappicium, near Edirne province of Turkey.

Solidarity to call for new credit

By Christopher Bobinski in Poland

POLAND needs major financial support from the West to avoid a deepening of its economic crisis which could endanger the future of political reform, a top Solidarity economist has warned.

According to Mr Witold Trzeciakowski, newly-elected to the Senate, Solidarity is about to approve a policy paper which calls on the West to provide \$10bn in new credits over the next three years.

Francis Mitterrand of France for a three-day visit. "Poland can deal with its internal disequilibrium and its external disequilibrium separately, but not both at the same time," Mr Trzeciakowski said, arguing that relief on Poland's \$40bn external debt is essential.

The Solidarity proposals will also be presented to President Mitterrand and also to US President George Bush next month and to the meeting of the Group of Seven industrialised nations in July.

The plan envisages the rescheduling of Poland's capital repayments over 20 to 25 years. It also says that after agreeing a standby programme with the International Monetary Fund, Poland could expect credits worth \$700m annually over the next three years and another \$1bn a year from the World Bank over the same period.

Additional credits could be arranged, Mr Trzeciakowski said, in bilateral contacts with Western nations.

Last-minute objections delay Community rules for television broadcasting

By William Dawkins in Luxembourg

PROPOSED common European rules for cross-frontier television broadcasting ran into serious last minute objections at a meeting of EC trade and industry ministers yesterday. The hold up overshadowed agreements on 20 mainly technical measures to ease market restrictions between member states and drew angry rebukes from Mr Martin Bangemann, the industry and internal market Commissioner.

minority yesterday afternoon, only three months after a qualified majority of governments gave it initial blessing. New objections emerged from France, which appears internally divided, the Netherlands and Greece.

West Germany (which has constitutional problems with the plan), Belgium and Denmark objected to it in April and maintained their opposition yesterday. Chancellor Helmut Kohl of West Germany plans to raise the issue at the

European summit in Madrid at the end of the month, said officials. It has angered West Germany's laender (states) as an unwelcome encroachment on their own responsibilities.

The French Government in particular could feel exposed because its willingness in April to drop its earlier demands for a firm quota for European programmes has drawn a backlash from the television industry.

are not very happy," said one national official. The deadline for adoption of the television directive runs out in late August, unless the European Parliament agrees to an extension. If not, the Commission could be forced to resubmit the proposal, with fresh delays.

Ministers agreed plans to boost competition for public works contracts and were ironing out technical differences on another scheme to help unsuccessful bidders appeal against public purchasers' decisions.

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EUROPEAN NEWS

UN report charts East bloc zig-zag course to reform

By William DuBois in Geneva

THE DIVERSITY and uncertainty of the economic reforms initiated in the Soviet Union and Eastern Europe are amply illustrated in a book of studies published today by the United Nations Economic Commission for Europe, whose mandate - imperfectly performed in the past - is to serve as a forum for East-West dialogue.

One general conclusion emerging from the book is that it is too optimistic to expect reform programmes, accelerated economic growth and adjustments in foreign trade to be effected at the same time. It reports a symposium, organised by the ECE secretariat last November together with the highly-reputed Vienna Institute for Economic Studies, which brought together economists and scholars from the seven East European countries, Western Europe and North America.

All the participants, three from each East European country, were invited in their personal capacities and their papers are individually signed.

The result is the most comprehensive and thorough analysis to date of the economic reforms which they appear to be gathering unprecedented momentum in the Soviet Union, Poland and Hungary and to have been at least mapped out in Bulgaria and Czechoslovakia.

East Germany and Romania are not yet contemplating significant changes, but in the five reform-oriented countries, the shortcomings of central planning have been recognised. However, the authors of the individual contributions to the book differ widely on how far and how fast the reforms should go. Hungary and, to a lesser extent, Poland envisage a substantial degree of private ownership even on the production side; others are more tentative in their approach.

Restructuring of institutions is under way to facilitate the introduction of new management systems. Poland, for instance, is cutting 2,500-3,000 of the 12,000 posts in its administrative centre.

One of the most important changes signalled is the separation of central from commercial banking, with separate institutions handling the financing of enterprises. This is being done in Poland, not usually regarded as a front-runner; credits will be charged interest at rates agreed between the bank and the enterprise, implying that rates can vary and some competition prevail.

Hungary, which is the front-runner, has banks to mobilise private savings. It has

also established a value-added tax and introduced personal income tax. Significantly, the severest criticism of the economic reforms in the book comes from the Hungarian and Polish contributors - not that they question the need for fundamental changes, but their greater experience of the reforming process has clearly exposed shortcomings and stimulated debate.

There is clear concern about inflationary pressures. The reform programmes have been to a large extent uncoordinated. Some companies were expected to sell products at old, low prices while having to buy inputs at higher, market-related prices.

Inconsistencies of this kind arise because, in spite of general agreement to expand the role of the market, the state continues to fix prices for many commodities. No country yet has a timetable for introducing a free-market system of price formation.

Foreign indebtedness, particularly acute in Poland, is seen as a potential hindrance because it narrows the scope for flexibility in introducing reforms. A further drag on reform pinpointed in the discussion is the bilateral, barrier character of trade practised under Comecon.

The symposium made it clear that the reformers are having to combat widespread public support for some basic values in the Communist system, including egalitarian attitudes towards incomes. Reform means at least temporary reduction in real per capita income and private consumption. Conservatives could well find a popular base for their opposition to reforms.

Several contributors stress that a higher level of economic efficiency is impossible without far-reaching political change, implying that the Communist party must become only one among a number of interest groups.

This is a point which appears to have been fully taken in Mr Mikhail Gorbachev's perestroika programme. The summary of the symposium by Mr Josef van Brabant, a UN expert, and Mr Peter Havlik of the Vienna Institute underlines the uniformity of the view that the reforming process in the Soviet Union will be paramount in shaping up the structural changes under way elsewhere in Eastern Europe.

Economic Reforms in the European Centrally Planned Economies, price \$50, available from ADECO, PO Box 463, 1211 Geneva 13, Switzerland.

WORLD TRADE NEWS

Hills tiptoes between the Super 301 protagonists

Nancy Dunne looks at the way the controversial US trade legislation is being implemented

MRS Carla Hills, the US Trade Representative, is treading a fine line, hoping not to alienate American trading partners nor anger Congress, as she moves to implement the controversial Super 301 provision of last year's trade legislation.

Tomorrow, she is to launch an investigation into the six trade barriers selected for removal by the Bush Administration last month and to request consultations with the governments of the three targeted priority countries: Japan, Brazil and India.

This week, the Deputy Trade Representative, Mr Liam Williams, is meeting Japanese officials in Tokyo to discuss the telecommunications dispute and begin planning a bilateral summit on structural impediments to exports.

The Bush Administration originally considered a list of 30 foreign trade barriers for Super 301, whose removal held the most export potential for the US. The list was whittled down by eliminating those already the subject of bilateral negotiations or deemed best handled through multilateral trade talks.

In the end, the Administration chose to symbolise five categories of barriers with six examples: quantitative restrictions, Brazil's restrictive import licensing system, standards and technical barriers, Japan's practices in forest products, exclusive government procurement practices, Japan on satellites and supercomputers; trade-related investment measures, India for performance requirements, and

barriers in trade and services. India for restrictions on the sale of insurance.

With this narrow, legalistic approach, Mrs Hills hoped to reframe the context of Super 301 as "a tool" to help along the multilateral trade talks while softening the insult to the priority countries.

"We do not seek mindless name-calling to vent frustration at a stubborn and difficult trade deficit, nor a lock-step toward retaliation," she said. "Rather, we seek a constructive setting of priorities, and a responsible application of leverage to achieve maximum market-opening results."

She was optimistic all three countries would agree to talks. The tactic has won support on Capitol Hill. At a committee hearing last week, Mrs Hills

was universally praised and Congressman Sam Gibbons, chairman of the House Ways and Means trade subcommittee, told her approvingly: "Your statement was tough enough to say to our trading partners. 'We mean business.' But it was wise enough to say that we're here to work with you and try to work out these differences."

In a related action, called Special 301, the administration said so much progress had been made in talks leading up to the May 30 deadline that no priority countries were named for violations of intellectual property rights. Eight countries - South Korea, Taiwan, Thailand, Mexico, Saudi Arabia, Brazil, India and China - were placed on a priority watch list to be reviewed, with new threats of action by November 1.

Mrs Hill said an action plan, as a negotiating framework, had been developed for

each of the eight nations. Some would be required to pass laws to protect patent, trademark, copyright and other proprietary data. Others would be asked to enforce their laws more effectively.

On Korea, for example, Mrs Hills said she would track actions by Korean enforcement entities; "concrete evidence of decreased sales of pirated and counterfeit items," and "constructive participation" in the multilateral intellectual property negotiations.

Next May Mrs Hills must announce whether the six practices have been found to be unfair. If they are, and no progress has been made in talks, the US may retaliate, although this is not required by law unless the practice is found to have broken trade agreements.

Outraged Indians dig in their heels

The US complaint against India could backfire, argues Peter Montagnon

THE US decision to cite India for unfair trade practices under its new Trade Act could backfire by slowing down the more liberal approach to foreign investment that has been gathering pace over the last few years.

This is the view of the business community in New Delhi as it ponder, still with a high degree of outrage and incredulity, last month's Bush Administration announcement that India, alongside Brazil and Japan, had become a priority country for trade action because of its barriers to foreign investment and restrictions on insurance.

The decision caught the government off guard. Despite repeated warnings from US officials that India might well be on the hit list, officials in Delhi believed right up to the last moment that it would escape.

Unlike Taiwan and South Korea, which sought to avoid nomination by negotiating fresh trade concessions, India never took the threat seriously. One conclusion is that it needs to refine its lobbying skills in Washington, which has been exposed as lamentably deficient.

Yet, to many trade experts in and outside India, the government of Mr Rajiv Gandhi could be forgiven for not taking the threat seriously.

India is not alone among developing countries in imposing "restrictions" on foreign investment. Its insurance industry has long been protected, and, with few exceptions in the reinsurance and marine cargo areas, is barred to all outsiders, Indian as well as foreign.

India's law, says Mr Dinesh Singh, Commerce Minister, does not discriminate against Americans and is in full conformity with the General Agreement on Tariffs and Trade (GATT).

Still a further source of mystification is why the US chose to home in on investment and insurance when it has a long list of complaints, some of which constitute much more serious barriers to its exports. For one of these, inadequate protection of intellectual property rights, India has separately been put on a special watch list by Washington.

Among the other US concerns are India's exceptionally high tariffs, which at an unwieldy average of 137.4 per cent in 1988 are the highest of any major developing country. Also, India imposes cumbersome import licensing requirements and quantitative restrictions, mostly designed to keep out foreign consumer goods. Its government procurement policies, particularly those of the Oil and Natural Gas Commission, are labyrinthine, the US claims, and its export subsidies have been rising, a charge which Mr Singh vehemently denies.

Using its trade law to attack India for its tariffs and import restrictions might have been rather difficult for the US, however, because India might well have been able to claim under the Gatt that it was entitled to protect its industries at a time of pronounced balance of payments weakness.

The idea of attacking invest-

ment, for which no Gatt rules exist, must have seemed more attractive because many Indian businessmen would like to see more foreign investment and technology transfer. Mr Viren Shah, the steel industrialist who heads the Assocham business federation, says he sees no logic in the 40 per cent ceiling on the share a foreign investor may take in an Indian company.

As such pressure has grown in recent years the government has moved cautiously to relax this restriction in certain cases, for example where the enterprise concerned is wholly orientated towards export. It would be rash, however, to presume that the US move is likely to accelerate a process which has now in any case moved temporarily onto the

back burner ahead of the elections expected at the turn of the year. India has said emphatically that it will not negotiate with the US. The fear of pre-empting its negotiating position in the Uruguay Round where both services and investment are on the agenda, provides a sound practical reason for this stance.

Beyond that, however, India takes the view that it should be allowed to determine its own pace of development towards a more open, liberal economy. "No one likes to do anything under pressure. If someone tries to force you, you resist," says Mr Pai Panandikar, Secretary General of the Federation of Indian Chambers of Commerce and Industry, Indian businessmen are agreed that there is absolutely no

chance of India allowing US participation in its insurance industry. That could not happen without denationalisation so that Indian entrepreneurs could play a role too. And denationalisation is unlikely when the insurance industry, through its premium income of more than \$2.5bn in 1988, provides the government with a steady flow of capital to invest in other state enterprises.

According to one Indian trade expert, the US Trade Representative's Office, which is already overstretched, will thus have its work cut out trying to persuade India to negotiate even mandatory trade concessions. With sales of \$2.5bn in 1988, India is America's 24th largest export market and its deficit with India is only \$87m.



Rajiv Gandhi did not take US threat seriously

matter to the Gatt

At present the chances of that seem remote. Meanwhile, India also has to watch out for the future. Another list of priority countries will be drawn up next year. Given the long list of US complaints about India, the possibility is that this time next year, it could appear to have got off lightly

HUMBERSIDE

The Financial Times proposes to publish this survey on:

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Pursuant to Clause 7 (B) of the Trust Deed dated 31st March, 1987 (the "Trust Deed") relating to the above-described Convertible Bonds (the "Bonds"), the following notice of an adjustment to the Conversion Price (the "Conversion Price") of the Bonds is hereby given.

The Gunma Bank, Ltd. (the "Bank") made a free distribution of shares of its Common Stock (with par value of Yen 50 per share) to its shareholders of record on Friday, 31st March, 1989 at the rate of 0.03 shares for each one share held.

In addition, the Bank made a public offering in Japan of Yen 15,000,000,000 1 1/2% per cent Convertible Bonds due 1993 on Friday, 31st March, 1989 at the conversion price of Yen 1,068 per share, which is less than the current market price per share of Yen 1,079 calculated as provided in the Trust Deed.

As a result of the above free distribution and public offering, the Conversion Price of the Bonds has been adjusted, pursuant to the provisions of Clause 7 (B)(i) and (iv) of the Trust Deed, from Yen 783.50 per share to Yen 761.10 per share effective as from 1st April, 1989.

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OVERSEAS NEWS

Peking arrests two top student union leaders

By Steven Butler in Peking

CHINA yesterday arrested two top leaders from the banned Autonomous Student Union after launching a nationwide search for 21 leaders on Tuesday night.

Peking remained in a state of virtual terror under martial law as thousands of soldiers armed with assault rifles stood guard throughout the city.

Some 16,000 civilians are also now reported assisting troops on patrol.

Tiananmen Square, the site of mass pro-democracy protests last month, was cleared of tanks for the first time since the army crushed the protest on June 4th in a hail of bullets.

All rubble now appears to have been cleared from the streets, where protestors burned over 400 military trucks and armoured vehicles, police cars, and buses after troops opened fire on unarmed citizens.

The two arrested students, Zhou Fengjun, a physics student at Qinghua University and Xiong Yan, a law student at Peking University, were leaders of student groups accused of mounting a counter-revolutionary rebellion, which is how China now describes a series of peaceful marches and demonstrations over six weeks.

The state-run television reported that Zhou was turned into the police by his older sister in the city of Xian, 750km southwest of the capital.

A series of other arrests were reported throughout the day, including that of a 71-year-old man accused of burning military vehicles. The public security bureau also issued arrest warrants for three leaders of the Autonomous Trade Union.



Chinese soldiers walk past a queue of about 200 outside the US embassy seeking visas yesterday

Tokyo launches currency dealing inquiry

By Ian Rodger in Tokyo

JAPAN'S Ministry of Finance, known to be unhappy about the recent rise of the dollar against the yen, has begun a probe into the currency dealing operations of a number of life insurance companies.

The move was immediately interpreted by foreign exchange dealers as an attempt to guide the market.

A widespread campaign of guidance to all financial institutions to curtail their currency dealings. They said the Ministry was not concerned about legitimate hedging or about institutions' actual purchases of dollar assets.

Officials said they had noticed that a few life insurance companies had been buying dollars heavily in the forward market. This kind of purchase was normal as a hedge against currency losses on foreign investments, but the scale of the purchasing was so great that it was having an impact on the foreign exchange market, they said.

Following reports of the probe the yen rallied slightly against the dollar and finished the day in the Tokyo market at ¥148.05 to the dollar, down 70.65 from Tuesday's close.

Ministry officials said they still did not consider the yen trends in the currency market to be "serious" and did not contemplate any further steps aimed at guiding market participants. The ministry also said it saw no immediate need for monetary officials of leading industrial countries to meet and discuss foreign exchange market stability.

Meanwhile, Mr. Sotomori Suga, Governor of the Bank of Japan, said the dollar's recent strength against the yen stemmed only from speculative moves and was far from reflecting the economic fundamentals of the two countries. He said it was counterproductive for the US, in that it would make it more difficult to reduce the US trade deficit.

exchange market stability.

US is urged to support 'home of last resort'

By Peter Riddell, US Editor, in Washington

A SENIOR member of the Hong Kong Government yesterday appealed to US political and public opinion to support an international assurance that a home of last resort for its people will be provided if necessary after the Chinese takeover in 1997.

During a visit to the US arranged before the recent crackdown in China, Mr John Chan, the Cabinet level Trade and Industry Secretary, met members of the Bush cabinet and business leaders. He offered some reassurance on Hong Kong's economic prospects coupled with a call for an "insurance policy" to protect the colony's 5.6m residents.

Hong Kong passport campaign looks further afield

By John Elliott in Hong Kong

HONG KONG'S foreign passport campaign was widened yesterday when its top political leaders called on the Commonwealth and other countries to help provide rights of abode for all the colony's 5.6m people.

This is a significantly broader demand than the past request that British passports carrying a right of abode be issued to 3.34m Hong Kong citizens who have lost their rights through a series of UK immigration laws since 1962.

Seoul in a twist over top 30 Maggie Ford explains why big business is posing a problem

By Ian Rodger in Seoul

THE South Korean government is facing a dilemma over the role of big business as it tries to restructure the internal economy, reducing central control and introducing market reforms.

The growing concentration of economic power in the hands of the country's top 30 companies has attracted increasing criticism. Companies like Samsung, Daewoo and Hyundai are given credit for powering South Korea's economic growth, but many have come to believe they now exercise a disproportionate influence over politics and economic decision-making.

The problem is exacerbated by the companies' contradictory role as motor of the private sector and guardian of the national interest.

Speculation by large companies in property has pushed up the price of a small flat in Seoul to as much as \$225,000

There has been a sharp jump in business groups' investment in property, where prices have risen several hundred per cent in the last six months in some areas. These rises have spilled over into the housing sector, pricing an average small Seoul apartment at \$225,000 in a country with a per capita gross national product of less than \$5,000. The figures have provoked a public outcry that speculators, including the big business groups, are acting greedily and irresponsibly, causing a rise in inflation and slowing growth.

The companies have complained about the government's anti-inflationary tight monetary policy, but at the same time they have placed funds on the booming stock market and in property.

Conglomerates increased their investment in securities and other financial assets by Won 2,000bn (\$3bn) in the first three months of this year compared with a Won60bn increase in the same period last year, according to the central bank.

Vietnam and Britain to continue refugee dialogue

By William Dullforce in Geneva

VIETNAM HAS agreed to continue talks with Britain and Geneva yesterday represents a renewed international effort to resolve the problem of Indo-Chinese refugees, William Dullforce writes.

The UN conference unanimously approved a new plan to solve the problem of some 165,000 Indo-Chinese and the accelerating flow of boat people leaving Vietnam.

Britain and Hong Kong only as a future possibility. The steering committee will consider a plan for the Philippines to set up a second regional processing centre, relieving Hong Kong, Malaysia and other "first asylum" states of refugees qualified for resettlement in developed countries.

India's public sector in a d Dickens of a muddle

Bureaucratic delays are steadily draining government resources, writes David Housego in New Delhi

WHEN Charles Dickens invented his Ministry of Circumlocution as a symbol of bureaucratic delay and inefficiency, he had in mind the absurdities of British administration in the 19th century. But even Dickens would have been hard put to believe that Indian officialdom more than a hundred years later could be worse than anything he had created in Bleak House.

The UN conference unanimously approved a new plan to solve the problem of some 165,000 Indo-Chinese and the accelerating flow of boat people leaving Vietnam.

Other officials believe that a global approach to the problem gives an unfair picture. An international agency official says it conceals the real improvements in performance achieved by certain governments, notably the National Thermal Power Corporation - in the power, fertilizer, oil and rail sectors.

Advertisement for 'FREE!' will. Text: 'How to make your Will - and make your Will-power work'. Includes a small image of a person writing and a form area for name and address.

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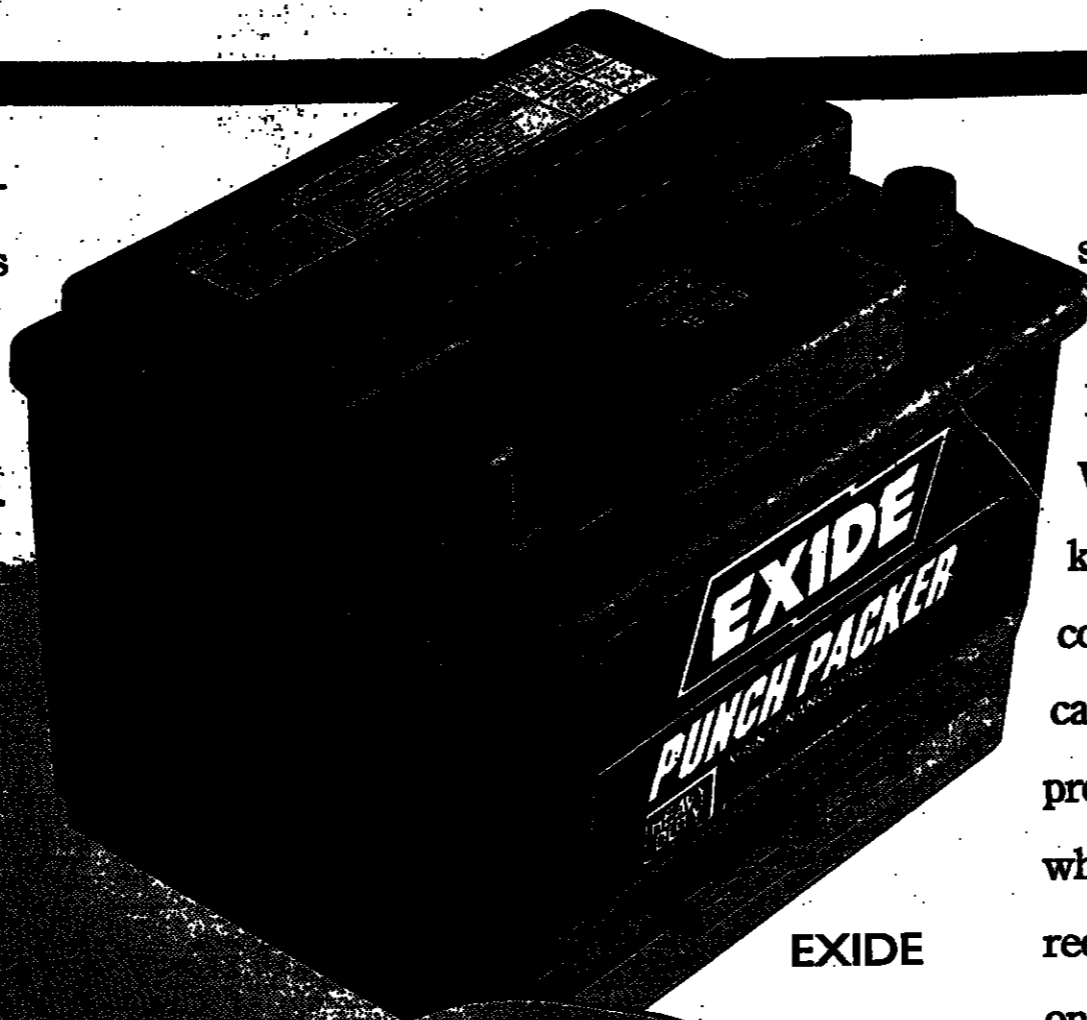
Because gas is clean, safe and controllable of fuels. Although the cost of a new installation can frequently be recovered in as little as two years.

Exide, one of the country's leading battery makers, together with other manufacturers developed a technology for drying fibre drying

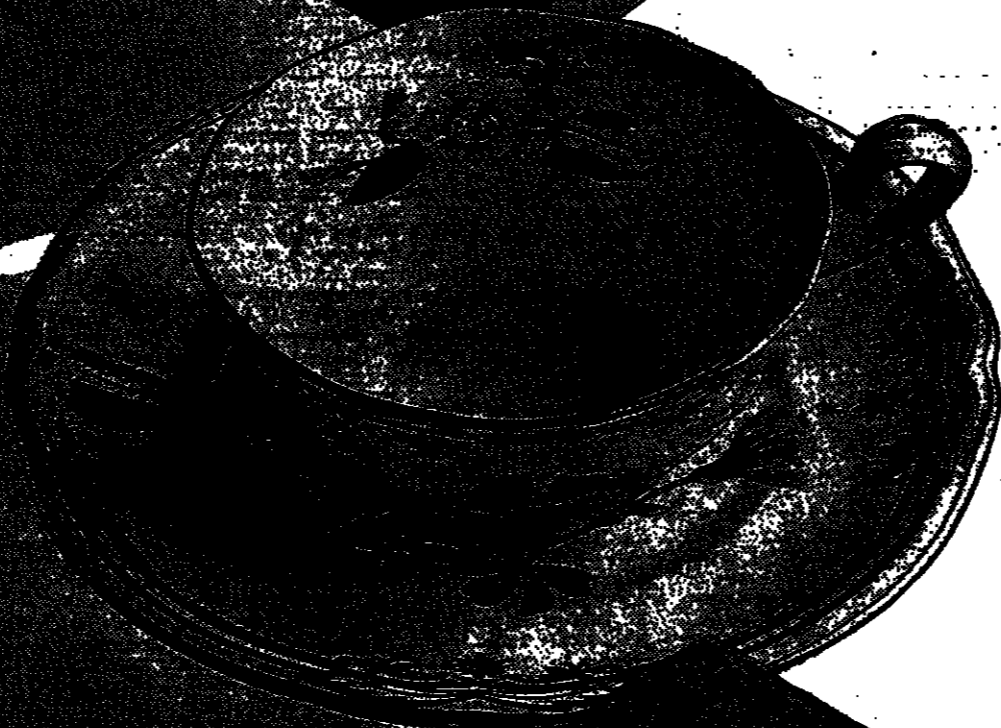
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AMERICAN NEWS

Gephardt elected Democratic majority leader

By Peter Riddell, US Editor, in Washington

MR Richard Gephardt, who unsuccessfully sought the US Democratic presidential nomination last year on a protectionist platform, was yesterday elected Democratic majority leader.

The vote preceded the election of Mr Bill Gray as Democratic majority whip, the third place in the hierarchy. Mr Gray thus became the first black Congressman to take a top leadership position on Capitol Hill.

The elections are part of sweeping changes in the leadership of the controlling Democratic group in the House of Representatives following the resignations two weeks ago of Mr Jim Wright as Speaker and Mr Tony Coelho as majority whip. Mr Tom Foley, the previous majority leader, was elected unopposed as Speaker a week ago.

Mr Gephardt said yesterday: "I think we've got the House back on track. We've got to be able to assert and pass a substantive agenda," referring to legislation on rescuing the savings and loans industry, addressing the US's budgetary problems, day care and parental leave, and ethics reform.

Mr Gray, a minister at one of Philadelphia's largest black churches, won 134 votes against 97 for Rep David Bonior of Michigan and 30 for Rep Beryl Anthony of Arkansas. Mr Gephardt was elected by a margin of 181 votes to 76 over Rep Ed Jenkins of Georgia. Mr Gray's election is the more remarkable since he has faced reports that the Federal Bureau of Investigation was examining whether there was



Gephardt's election is part of sweeping changes at the top of a ghost employee on his payroll. The Justice Department said this week that Mr Gray was not the subject of the investigation.

Mr Gray was a respected chairman of the House budget committee for four years up to the end of last year.

Mr Gephardt, a member of Congress since 1977 and representing a district in St Louis, Missouri, is an unusually public figure for a member of the House because of his presidential bid last year when he appeared frequently on television urging his populist protectionist themes. There is speculation in Washington about the extent to which Mr Gephardt has now deferred his presidential ambitions and about how much he will tone down his protectionist language.

Inventory-sales ratios move lower

US INVENTORY-SALES ratios regained their low level at the beginning of the year, according to estimates from the Department of Commerce.

Durable inventories, at 1.98 months' sales, were up marginally, despite swollen car inventories, and non-durables reached a low of 1.09 months' sales, writes Anthony Harris in Washington.

This reduction was mainly because of the strong sales

month already reported, up 1.7 per cent from March, but the low historic level of inventories, which have fallen steadily for more than three years, suggests that US business is well placed for any slowdown in sales resulting from currently weak retail demand.

This is the main reason why industrial economists, who expect lower growth, are more confident a recession can be avoided in the coming months.

Doubt over date for handover to Menem

By Gary Mead in Buenos Aires

THE date on which Argentina's president-elect, Mr Carlos Menem, will take office was put in doubt yesterday two days after President Raúl Alfonsín announced that he would resign on June 30, six months early.

Both senior Radical and Peronist politicians yesterday suggested that President Alfonsín's resignation at the end of June did not imply that Mr Menem would automatically assume office the same day. Vice-President Víctor Martínez (Radical) and Mr Eduardo Menem (Mr Menem's brother and a Peronist senator) agreed that Mr Menem might take over several days after June 30. One possible date is July 5, Argentina's Independence Day.

Mr Menem is unwilling to take over without guarantees that his government's planned economic legislation will not face Radical opposition in Congress.

Mr Menem's electoral success on May 14 was shared by a number of Peronist candidates for the lower house of Congress. But they will not take their seats (and give Mr Menem an overall Congressional majority) until December 10, the date fixed by the constitution for President Alfonsín to leave office.

Mr Menem had also hoped President Alfonsín's administration would resolve outstanding problems with Argentina's armed forces including what to do with 300 officers who have thrice rebelled since April 1987 and who await punishment.

Yesterday Mr Menem said that "the country will know our economic plan on July 2 or 3", which was seen by some as indirect confirmation that he would move into office at the beginning of the month.

President Alfonsín's government yesterday gave another indication of Argentina's inflationary problems by revising price-control rules for industry. Previously, large manufacturers had been allowed one-month price increases but the ruling permits rises every eight days after authorisation.

Manley turns into a model social democrat

Jamaica's premier is showing more moderation than in the 1970s, says Canute James

WHEN Mrs Margaret Thatcher ends her meeting with Mr Michael Manley, the Prime Minister of Jamaica, at Downing Street tomorrow the British premier is likely to conclude that their philosophical differences are fewer than she might have expected.

Since taking office after an election in February, Mr Manley has displayed a level of equanimity and moderation far removed from his earlier term in the 1970s. Then, driven by a strident left wing, Mr Manley's administration gave itself over to bombast and ideological sabre-rattling while the economy, hit by high oil prices and low demand for bauxite, the main export, declined rapidly.

After replacing Mr Edward Seaga, the conservative who became prime minister in 1980, Mr Manley's People's National Party appears to have moved right to social democrat principles on which it was founded 50 years ago. The change of government has been unusually seamless for Jamaica.

According to Mr Seymour Mullings, the Finance Minister, the Government intends to continue those of Mr Seaga's policies which worked, and to change those which have not.

Consequently, Mrs Thatcher will find that Mr Manley shares her outlook on some aspects of economic management. Mr Manley is continuing Mr Seaga's programme of reducing the role of government in the economy through

the divestment of state companies and is increasing the incentives for the private business sector to expand, creating jobs to reduce the island's 21 per cent unemployment rate and to lift exports.

Both Mr Manley and Mrs Thatcher, however, are likely to agree to disagree on some issues, including South Africa. Mr Manley shares the belief of many of his Commonwealth colleagues that more economic pressure from the industrialised countries is a necessary tool for eventual social and political change in Pretoria.

Mr Seaga appears not to be particularly impressed with the direction of his successor's policies. "There is a clear preoccupation with form rather than with substance," the former prime minister contends. "There is also a preoccupation with sending signals, all of which appear to be mixed."

Mr Manley is preoccupied on his current visit to Europe (he will be seeing the prime ministers of France, Spain, Norway and Sweden in addition to Mrs Thatcher) it will be with the state of the island's economy. Recent growth after a decade of stagnation was dampened last September when hurricane Gilbert scored a direct hit on the island.

Gilbert's ghost still haunts the economy, which was running at a rate of 5 per cent last year but which now appears to have expanded by less than 1 per cent. "The effects of the storm are clear in the effect it had on agriculture," says Mr



Manley to meet Thatcher in London tomorrow

Mullings. "The decline in the rate of growth of the economy is due to the storm."

The economy could not meet performance targets agreed with the International Monetary Fund under a stand-by credit agreement. Mr Mullings says a new pact has been concluded with the Fund but suggests there will be no fundamental changes in economic policy. He discounts recent suggestions of a currency devaluation, always a politically unpopular measure in Jamaica. The island's currency

was devalued by 70 per cent between 1983 and 1986.

While there are indications that three of the four pillars of the economy - tourism, bauxite mining and refining and manufacturing - will grow this year, agriculture needs time to get over the devastation caused by the storm. Mr Mullings has predicted growth of 4 per cent this year.

But Mr Manley is likely to be troubled by the demands placed on the economy in servicing the foreign debt of \$4.5bn (GBP) which is just over half the island's Gross Domestic Product. Repayment obligations represent 41 per cent of the Government's projected expenditure for this year, says Mr Mullings, and 39 per cent of earnings from exports of goods and services.

Government officials say the prime minister's visit to Europe is not in search of financial assistance "although economic programmes will be discussed". He has already visited Washington and spoken with President Bush, apparently forestalling any repeat of the strained relations with the US in the 1970s.

Mr Manley, however, appears to be treading carefully in implementing his promise to reopen the diplomatic ties with neighbouring Cuba which were cut by Mr Seaga in 1981. "The Government does not want to appear to be in a hurry to restore ties with Cuba because this could be misinterpreted by those who are looking for something

to hit us with," explained a foreign official. "Diplomatic relations with Cuba will be restored, but in due course."

In the four months since it took office, Mr Manley's administration has had mixed reviews. Mr Seaga says that although the storm damaged the economy, the decline in growth is the result of the Government's "inability to manage a market-system economy" in the first few weeks. "It takes only a second to let go of the wheel of a car to crash it," the opposition leader says.

Mr Manley will be more encouraged by the reaction of the private sector. "The Government's effort at continuity is a good thing," says Mr Delroy Lindsay, executive director of the Private Sector Organisation of Jamaica. "Some of Mr Seaga's policies were good but he did not go far enough. Mr Manley is prepared to go further in deregulating the economy and making the private sector the engine of growth."

Mr Paul Chen-Young, one of the island's leading bankers, said the new government "has made a deliberate attempt to cultivate the confidence of the business sector."

But the more moderate face of Mr Manley's new administration rankles with some former party members. "The election has given us a change which is neither of form nor substance," suggested a former member of the People's National Party's left wing which was put to the sword in the early 1980s.

Kraft cheese promotion comes unstuck

By Karen Zagor in New York

A CONSUMER'S dream has turned into a promotional nightmare for Kraft USA foods group after more than 2m winning tickets were accidentally printed for the company's Ready to Roll competition.

The promotion offered the winner of the sole first prize a \$17,000 luxury passenger van. Other prizes included 100 bicycles, 500 skateboards and 8,000 packets of cheese.

The contest, which ran in Sunday newspapers in Chicago and Houston, promised prizes to readers if the game piece in the advertisement matched a game piece in special packets

of Kraft's Singles cheese.

The odds of driving away in a Dodge Caravan should have been about 15m to one, but most of the cheese packages contained winning pieces for the range of prizes.

After more than 100 people claimed the first prize, Kraft USA, a division of Philip Morris, declared the contest null and void.

Already though, two class actions alleging consumer fraud have been filed against Kraft in Illinois's Cook County Circuit Court, according to US press reports, and other suits may follow.

Kraft has pulled the offending cheese packages from supermarket shelves. The company was unavailable for comment yesterday, but a spokeswoman said earlier that "it doesn't appear the mistake was made by a Kraft employee."

A spokeswoman for Product Movers, the company which printed the advertisement claimed the company was not responsible for the mistake.

J. Walter Thompson, the US advertising agency which handles many of Kraft's cheese products would not comment on whether it handled the Singles account.

Buendia murder suspect held

THE former head of Mexico's state security, accused of masterminding the 1984 murder of leading journalist Mr Manuel Buendia, gave himself up on Tuesday after a shoot-out with police, Reuters reports from Mexico City.

No one was injured in the shoot-out outside a house on one of Mexico City's main roads. The suspect, Jose Antonio Zorrilla Perez, surrendered shortly afterwards, the Justice Department said.

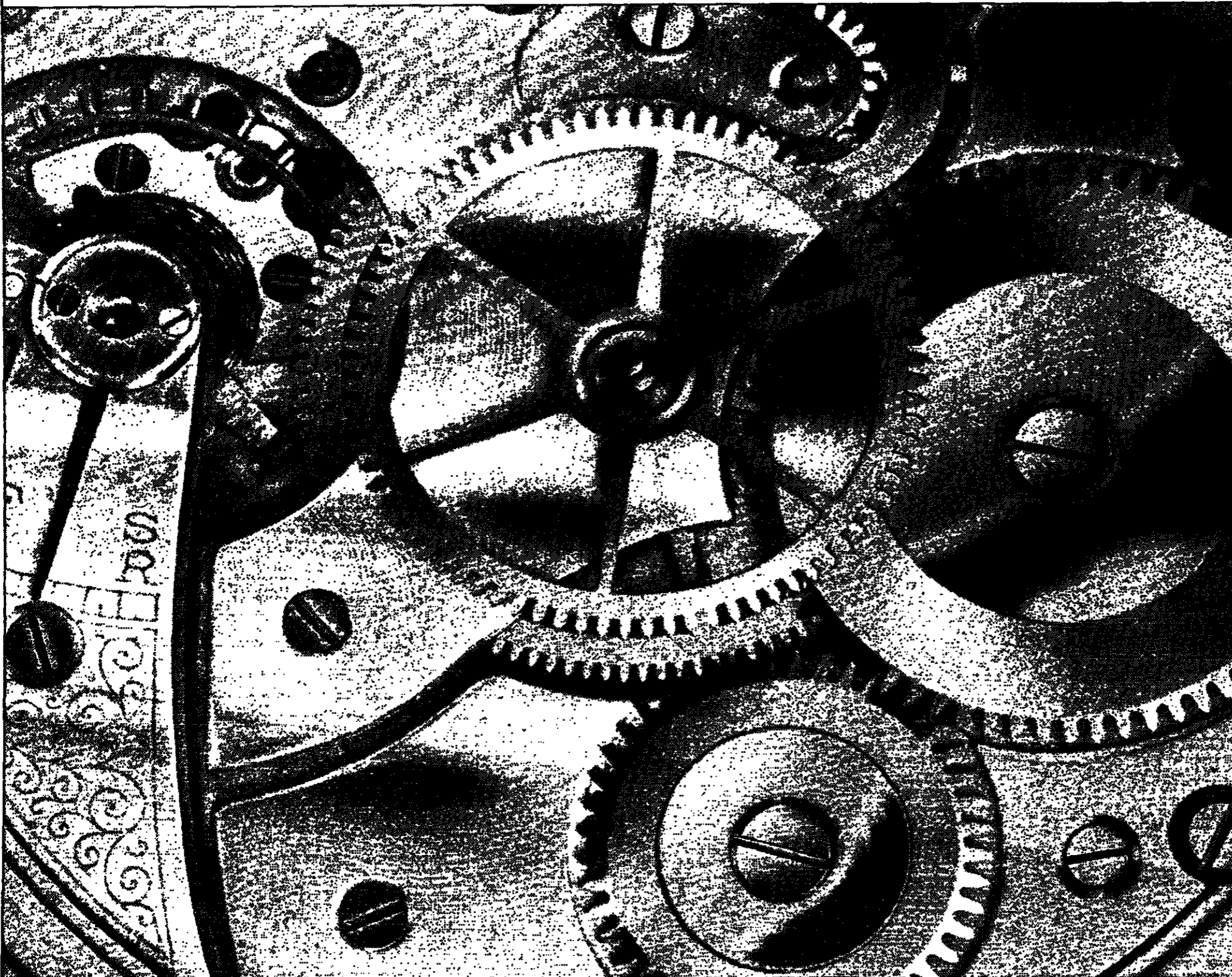
Mr Buendia, who was shot in the back on May 30 1984, near a Mexico City parking lot, wrote a column in the leading daily Excelsior exposing official corruption. Zorrilla Perez was named by

local authorities last Sunday as the suspect being sought as the suspected mastermind of the Buendia killing, which for five years has served to highlight the dangers faced by journalists in Mexico.

The capital's top justice official, Ignacio Morales Lechuga, said the new government "has obtained reports of illicit activities of the former security chief."

Zorrilla Perez is the latest of a number of prominent Mexicans, including businessmen and union leaders, to have been arrested since President Carlos Salinas de Gortari took office last November promising to clean up corruption.

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UK NEWS

Rail, Tube services face 24-hour strike next week

By Charles Leadbeater, Labour Editor

BRITAIN'S railway services could be brought to a halt next Wednesday, after the National Union of Railwaymen yesterday called 24-hour strikes at British Rail and London Underground.

London Underground's services, which carry 2.8m passengers a day during the normal working week, could also be seriously disrupted tomorrow by an unofficial strike by train drivers.

Meanwhile, hopes of averting industrial action by London's bus workers rose last night as union leaders of 13,500 drivers and conductors agreed to put an improved offer to a conference of garage delegates on Tuesday.

RR carries about 2m passengers a day, including 480,000 commuters into London. Rail union leaders predicted the strikes would bring the capital to a standstill. The rail strike will also seriously disrupt travel into other big cities such as Manchester, which has 50,000 rail commuters a day, and Birmingham, which has

35,000. Both British Rail and London Underground yesterday asked Acas, the conciliation service, to approach the unions for talks to settle the disputes. The NUR said it was happy to consider an approach from Acas, but was unlikely to postpone the strikes.

Leaders of Aslef, the train drivers union, which is balloting its members at both corporations, will consider the approach this morning.

The rail strikes follow a ballot in which the NUR's 75,000 members, in a 70 per cent turnout, voted by 29,675 to 20,704 for 24-hour stoppages. It is in protest at the corporation's imposed 7 per cent pay award and its plans to end centralised national pay bargaining.

The underground stoppages are over plans to extend the use of driver-only trains and introduce sweeping changes to working practices and promotion procedures among station staff. NUR members at London Underground voted by more than four-to-one for industrial

action. The NUR executive will next week consider whether to escalate the action by calling an overtime ban at BR and longer stoppages at London Underground. The union plans to meet Aslef leaders today to coordinate its action with Aslef, which is expected to announce the results of its London Underground ballot on June 28.

However, Mr Derrick Fullick, Aslef's general secretary, said he was annoyed that the NUR had called the action for next Wednesday, as this would disrupt his union's ballot and did not provide the foundation for united action.

Meanwhile, TGWU leaders of 13,500 London bus drivers and conductors agreed to take an 8 per cent pay offer to a delegate conference on Tuesday. The offer is in line with an offer made to engineering workers earlier in the week. The union has warned that it would call 24-hour strikes unless the corporation significantly improved its 7.5 per cent pay offer.



THE Queen yesterday bestowed a knighthood on former US President Ronald Reagan. She made him an Honorary Knight Grand Cross of the Most Honourable Order of the Bath - one of the highest orders of chivalry - after a private lunch at Buckingham Palace. Mr Reagan and his wife Nancy went to Buckingham Palace as part of their private visit to Britain. Mrs Reagan looked on as the Queen made the presentation after the lunch.

The former President did not have to kneel but was handed the insignia marking his appointment. Mr Reagan cannot call himself Sir - that title can only be used by the Queen's British and Commonwealth subjects who receive the accolade of knighthood. Asked how he felt, Mr Reagan said: "I feel greatly honoured. I cannot say how proud I am to receive it."

Parties wind up EC poll campaigns Prime Minister denies rift over economic policy

By Philip Stephens and Simon Holberton

MRS Margaret Thatcher, the Prime Minister, yesterday rejected suggestions she should dismiss her personal economic adviser in order to quash speculation that she is at odds with Mr Nigel Lawson, the Chancellor of the Exchequer.

As the Bank of England was forced again to support a weak pound on foreign exchange markets, Mrs Thatcher also cast severe doubt on whether she will accept the Chancellor's timetable for full membership of the European Monetary System (EMS).

Mrs Thatcher praised Mr Lawson's handling of the economy, and insisted they were united in agreeing that the overriding priority was to bring down inflation.

Speaking at the end of the Conservative Party campaign for today's European elections, Mrs Thatcher avoided any firm commitment that he would be unscathed by the cabinet reshuffle expected next month. But the terms of her compliments - she said she was "fully, fully and fully behind him" - strengthened the view at Westminster that she would find it almost impossible to move him against his will.

Mrs Thatcher was adamant that Sir Alan Walters, who returned from the US to advise her on economic matters last month, should not be blamed for reports of internal differences.

Sir Alan is known not to share Mr Lawson's enthusiasm for attempts to stabilise exchange rates and is a firm opponent of the EMS exchange rate mechanism. Mrs Thatcher, however, dismissed as "absolute nonsense" any suggestion that his continued presence at Downing Street was divisive.

Her comments came amid reports that Mrs Thatcher had rejected a request by the Treasury to include a reference to the need to stabilise the pound in her defence of the Chancellor in the House of Commons last Tuesday.

One senior Whitehall official said she was determined that her emphasis on the need to fight inflation should not be



Thatcher: in fighting mood

confused by statements on exchange rate stability.

The Prime Minister, however, made it clear that she was totally unconvinced that the planned removal by other European Community states next year of remaining exchange controls would persuade her to take sterling into the EMS.

Mr Lawson has indicated that he wants a review of the issue once the controls are removed, but the prime minister said that they were only one of many potential obstacles to British membership.

On foreign exchange markets yesterday, nervousness about today's employment figures, which are widely expected to show a rise in underlying earnings, and tomorrow's retail prices index for May cast a shadow over the pound.

The markets are also not fully convinced that the Chancellor and the Prime Minister have set aside their differences over exchange rate policy.

There is, however, a growing body of opinion in the City that the current level of 14 per cent base rates may be sufficient to hold the pound at around current levels. Among these analysts there is a belief that most of the bad news that could come out of today's and tomorrow's indicators has already been discounted.

Kinnock predicts gains in EC

By Michael Cassell, Political Correspondent

MR NEIL Kinnock, the leader of the Opposition Labour Party, yesterday marked the final day of campaigning for the European Community parliament by confidently predicting gains from the Conservatives and rejecting claims by Mrs Thatcher, the prime minister, that the two parties were now running "neck and neck" in the battle for votes.

Mr Kinnock, who also expects parliamentary by-election victories today at Vauxhall in London and Glasgow Central to help confirm the party's national revival, said Labour would make five net gains "at the very least".

The Labour leader said the figure could be considerably higher, depending on the level of turnout among voters. Some party workers believe the number of gains could reach double figures.

Mr Kinnock said Labour would retain all its extra-seats in London and that it could register some gains.

Victories in the European elections, he added, would represent "further steps on the

way back to government." In the last press conference of Labour's campaign, he returned to the attack on the Conservative Party's domestic record, claiming the Government had "spent 10 years taking Britain deep into deficit and further into division."

The Conservatives, he alleged, had done nothing to prepare the economy so that it would be fit to meet the challenges of intensified competition or to take advantage of improved access on completion of the single market in 1992, when trade barriers will be removed between European Community member states.

In the eyes of the Government, he added, the proposed social charter and the conventions of care, opportunity and

justice which it sought to establish, were issues to be regarded with a mixture of "fear and loathing".

Britain, Mr Kinnock emphasised, should be making and influencing changes that worked in the interests of the domestic and European communities.

Instead, it was ignoring its responsibilities and there was a growing awareness that the Government's short-term outlook had failed to prepare for a future without oil and within the single free left.

Labour yesterday also produced what it described as a "damning indictment" of the Government's record on environmental pollution.

Mr John Cunningham, the party's environment spokesman, issued the results of an opinion poll which showed acute public concern over environmental issues.

He claimed "a huge majority" of people held the Government responsible for failing to achieve and maintain high environmental standards demanded by the EC.

Thatcher defends her corner

By Philip Stephens, Political Editor

THE promise of the ruling Conservative Party to continue their robust defence of Britain's interests within a strong European Community had put them level with the Opposition Labour Party ahead of today's elections for the European parliament in Strasbourg, Mrs Margaret Thatcher said yesterday.

In upbeat mood at the end of what many Conservative insiders have regarded as a shaky campaign, the prime minister suggested there had been an increase in the number of Government supporters during the last few days.

She offered no new evidence from the Conservatives' private polls, however, to overturn the admission earlier in the week that the party was trailing about 5 points behind the opposition. She also declined to speculate on whether the Government would lose some of 45 seats.

The prime minister showed no inclination to back away from the theme - a firm defence of British sovereignty against the threat of a "socialist super-state" - which has characterized the Conservative campaign. She emphasised that the Government's budget deal with the Community had saved British taxpayers £50m since 1985, while it had also led the way in reducing food surpluses. At the same time it had held out against attempts by EC officials in Brussels to impose on "our children's clothes, on the food we eat and on the fuel which heats our homes", and had stopped attempts by other member states to introduce a new European tax on savings. "We fight Britain's corner for a strong Britain in a strong Europe."

She added: "To trade with a country, you do not need to govern all its actions. That is why we do not need a social charter for Europe as a whole".

A socialist Europe would add enormous burdens to industry by restrictions and regulations which would drive jobs to South East Asia and cut off the great wave of investment which Conservatives had won for Britain.

Mr Paddy Ashdown, leader of the centrist Social and Liberal Democrats (SLD), said it was not Mrs Thatcher's right to claim Britain was under threat from Brussels. "Britain is not diminished, but immeasurably enhanced by our close contact with other Europeans and by our increasingly multicultural society," he said.

The European elections were about whether Britain could face up to its future in Europe. Only the SLD, he claimed, had put forward a vision of Britain leading Europe into its next stage, adding that Mrs Thatcher's nationalism was holding back EC progress.

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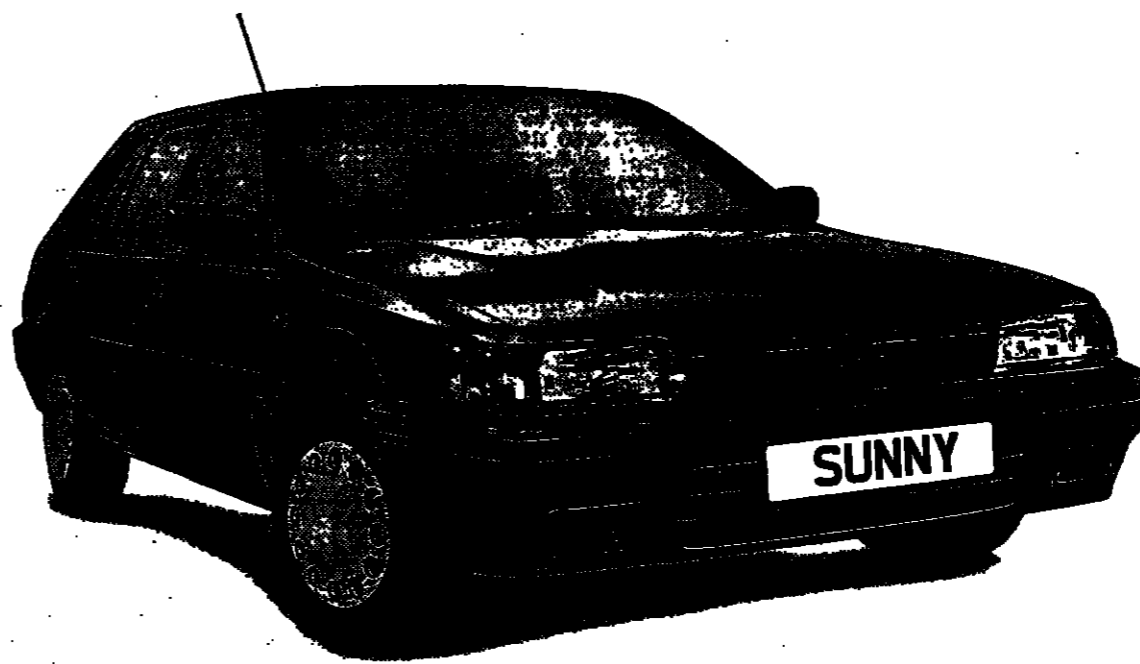
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UK NEWS

ICI to monitor effect of plants on environment

By Peter Marsh

IMPERIAL Chemical Industries (ICI), Britain's biggest manufacturing company, has set up a new system to monitor the environmental performance of its plants around the world in a bid to cut pollution. Mr Chris Hampson, ICI director with responsibility for environmental matters, said the company had done this as part of an effort to keep up with changes in public attitudes on environmental matters. The effort by ICI, which last year had sales of £11.7bn and is the world's fourth biggest chemicals company, comes as the chemicals business finds itself increasingly in the centre of the debate about the influence of manufacturing industry on the environment. Many chemicals groups are introducing new techniques to reduce emissions of unpleasant or toxic waste substances into the air and rivers. They are also looking at ways to recycle specific chemicals like plastics. The new ideas at ICI involve about 100 units of the company around the world which are in charge of specific business groups or sales in individual countries. International operations have become increasingly important to the company over the past decade. The group derives only about a quarter of its sales from the UK. Managers at the ICI units are being asked to collate detailed statistics regarding waste emissions from plants, complaints about pollution and the extent to which factories comply with local environmental laws. Mr Hampson said the reporting system was being supplemented by a request to all ICI

operating units to prepare plans of how they could improve their environmental performance over the next few years. All the information collected in this way from individual units is being reviewed by ICI's board in a bid by the company to co-ordinate its activities related to the environment. "The environmental issue is the biggest single factor affecting the chemicals industry," said Mr Hampson. "In the past at ICI we have tried to keep ahead of public opinion in this area but we realise now we are not living up to what the public expects." Mr Hampson said ICI had done a lot in recent years to cut its emissions from plants, but would have to accelerate its efforts. "We are going to have some problems in cleaning up our act," he said. The ICI director also said some elements of the public's greater interest in environmental matters would lead to useful business opportunities for his company. As an example, the company was working flat-out on producing new materials that could be alternatives to the chlorofluorocarbons damaging the ozone layer. Mr Hampson was unable to say how much the new account on cutting waste emissions would cost. He thought ICI's overall spending on plant investment linked to enhancing health, safety and environmental performance would be unlikely to rise substantially from its current level. ICI is spending about £100m a year in this field - roughly 10 per cent of total capital investment.

Fiat to seek UK market for tilting train system

By Kevin Done in Rome

FIAT, the Italian automotive and engineering group, is seeking to break into the UK railway equipment market with its tilting train technology. The company said yesterday that it would meet both British Rail officials and British members of parliament in the next few weeks to promote the use of its tilting train technology on the controversial Channel Tunnel rail link. Fiat maintains that the technology - in use since May last year in Italy on its so-called Pendolino trains between Rome and Venice, Turin and Salerno - could offer a cheaper and less disruptive alternative to the dedicated high-speed link through the south-east of England. The link has aroused widespread environmental opposition particularly in Kent, which the link will traverse. The tilting train technology can raise train speeds by around 25 per cent around curves. It can also be used on existing tracks, rather than requiring special dedicated tracks to be built for high-speed trains, such as those in use in France for the TGV (trains à grande vitesse) trains and the Shinkansen bullet trains in Japan. Fiat said it planned to make a presentation of the Pendolino train technology to the House of Commons all-party Transport Committee in August. British Rail is, however, unlikely to welcome the Fiat initiative. A BR spokesman said yesterday that long-term use of existing tracks for the Channel Tunnel link could not provide sufficient capacity for the forecast rise in traffic volumes.

Food safety institute funds withdrawn

FUNDING is to be withdrawn from one of Britain's leading food safety laboratories, the Institute of Food Research at Bristol. The decision, announced yesterday, was taken by the Agricultural and Food Research Council, an independent body funded by the Government. The laboratory, based at the University of Bristol in south west England, specialises in meat research. Some of the centre's work will be transferred to laboratories at Norwich and Reading in the south east as part of a restructuring of the institute. Doctors criticised the decision in an emergency motion passed at the British Medical Association's annual community medicine conference. They said closure would be "illogical and against the interest of the public health" in the light of current food poisoning cases.

Mr Kenneth Clarke, the Health Secretary, in a letter to Mr Ronnie Fearn MP, health spokesman for the Social and Liberal Democrats, said the Bristol laboratory was not concerned with any work on the outbreak of botulism which has left at least 16 people seriously ill. The Agricultural and Food Research Council stated, "The major programme in food safety will be strengthened and expanded." The council said the restructuring would create a higher proportion of scientific staff in the institute, with more scientists both at its laboratories in Norwich and Reading. The institute's total staff is expected to fall from 567 to about 440. The Institution of Professional Civil Servants claimed that 15 scientists would be made redundant, while work on bacteria and hygiene in

abattoirs, new slaughter practices, food quality, listeria, campylobacter and new pathogenic organisms would cease as a result of the closure. The laboratory will cease to be part of the institute by the end of next year, by which time funding will have been withdrawn. It is not yet clear whether private funding might be found to enable its work to continue. The Agricultural and Food Research Council said consultations were under way with other organisations, including the University of Bristol, to secure support for part of the work carried out at the laboratory. The closure decision was "frankly incredible" said Mr Joe Dockworth, IPCS agriculture officer. It made a mockery of the Government's commitment to food safety and the UK would now have no co-ordinated science and technology

centre for a meat industry with a turnover of £2bn. The closure is in line with the Government's programme to transfer near market research to industry. The Government is implementing cuts in the farm research budget of some £30m over the next three years. Dr Alexander Macara, chairman of the BMA's representative body and a community medicine specialist at Bristol University, said the Government was sacrificing the centre to the altar of its commercial philosophy. "It is, perhaps, the leading research facility of its kind in Europe. The Government take the view that this work should be financed by industry. Ideally, so it should, but industry are not doing it so it is having to be disbanded. It is incredible at a time when we have these recurrent threats to the public health."

Lovell wins contract for new Globe theatre

By Richard Donkin

LOVELL Construction has been awarded the £28m management contract to build the new Globe Theatre, in the original of which the contemporary plays of Shakespeare were performed, on a site at Bankside, on the south bank of the Thames. The development is only metres from the controversial excavations of the Rose Theatre, where the Bard himself is thought to have performed. Mr Sam Waasamaker, the American actor and director who has promoted the project for the last 20 years, said at yesterday's contract signing ceremony that the centre, due for completion by April 1992, would become the "focus of the world" for people to understand and study Shakespeare. The International Shakespeare Globe Centre, commissioner of the project has so far raised £3m in the UK and £1m in the US towards the project and the US fundraising arm established in April has pledged itself to raise £15m. Mr George Miller, managing director of Lovell Construction, said that even though the money for the project has yet to be raised "the tea leaves look right." He said: "We are not in this just for love." The 14-acre site will feature a full-sized conjectural reconstruction of the Globe Theatre, which was originally built in 1599 and destroyed by fire in 1613. Archaeologists are attempting to find the actual remains of the Globe on a site owned by Henshaw Properties about 200 yards away at the rear of the Financial Times headquarters. Remains of the adjacent Rose Theatre were uncovered as the site was being developed by construction group Lury Merchant. Professions and the public led Merchant to redesign their proposed building to allow public display of the remains. The Globe centre will also include a second, smaller theatre based on designs by Imigo Jones, the 17th century English architect, plus flats, shops and a pub or restaurant. Medieval building techniques are being revived in the 24-sided Globe reconstruction.

Eggbox market to face investigation

By Lisa Wood

THE £25m British eggbox market is to be investigated by the Monopolies and Mergers Commission after the proposed acquisition of 50 per cent of Lurgan Fibre, a Northern Irish packaging company, by Brodrene Hartmann of Denmark. Lurgan Fibre, with 32 per cent of the British moulded pulp egg packaging market, was acquired last year by Royal Packaging Industries Van Leer, a Dutch packager with a stake of about 16 per cent of the UK moulded pulp egg box market. Brodrene Hartmann, with around 21 per cent of the UK moulded pulp egg box market, also makes machinery used by the industry. It has said sees the stake in Lurgan Fibre as a

technical joint venture to afford it the chance to upgrade Lurgan's machinery. This ambition has been questioned by the Office of Fair Trading, which recommended to the Department of Trade and Industry that a referral be made to the Commission. The OFT fears competition could be restricted should Hartmann and Van Leer jointly own Lurgan, particularly as Omni-Pac, the only other big competitor in the marketplace, is unprofitable. The three companies involved in the deal being investigated have together about 40 per cent of the market by volume but about 70 per cent of the moulded pulp egg tray market. He added that the aim was to develop the programme "as a major force in the coverage of business in the European Community in the run up to 1992 and beyond."

FT buys European business programme

By Raymond Snoddy

THE Financial Times is entering television production with the purchase of European Business Weekly, a television programme broadcast from the Netherlands to more than 1m people. The programme, covering the week's European business news, is broadcast on Dutch television and Superchannel, the satellite television channel. It is also carried on the intercontinental flights of seven airlines and on cable television networks in 54 US cities. Mr Frank Barlow, FT chief executive said yesterday: "The Financial Times has for some time considered entering the expanding financial and business sector of the television market."

Amsterdam although there would be offices in London, Paris and other European cities. The FT plans to increase both the marketing and production staff of the loss-making venture and call on both the newspaper's database and the expertise of its journalists. A French-language edition edition is being considered in association with Pearson's French financial daily Les Echos. The decision to buy the programme is expected to be the first of several moves into television production. Other opportunities are being considered. A working party combining the BBC, Financial Times and Broadcast Communications, the company that produces Channel 4's Business Daily, is looking into setting up a subscription investment channel. Such a service would be broadcast overnight to the UK and across Europe on the Olympus satellite. The FT is also examining setting up a radio business service. Pearson has a 20 per cent stake in Yorkshire Television, the UK independent television company, and is one of the founder shareholders in British Satellite Broadcasting, the satellite broadcasting service due for launch next spring.

You may have heard about the excellent returns offered by offshore companies, yet been put off by either the lack of recognisable company names or by confusion over what they actually do. As an overseas resident there are definite advantages in investing offshore, but to quote the Observer newspaper, "if one is going to place money overseas the safest rule is to stick to the funds run by the offshore arms of UK financial institutions whose reputation and standing are beyond dispute." Obviously, Barclays Bank and Barclays International Funds are such institutions. A wide choice We now offer 17 offshore investment funds marketed from politically stable Jersey in the Channel Islands. Advisors to the funds are Barclays de Zoete Wedd Investment Management Limited who currently look after investors funds to the value of £13 billion. We have funds in equities across four continents, major currencies, gilts and other fixed interest stocks. We have funds for income or growth or both. Easy switching We offer total flexibility. You can easily switch from one fund to another to respond to fluctuations in world markets. And you can start with as little as £1,000 or US\$1,500, although we do offer special privileges to those investing £50,000 or US\$100,000 or more. Whatever amount you decide to invest, or whichever fund or funds you choose, with Barclays International Funds you will always enjoy one great benefit - peace of mind. Send the coupon today for more details without any obligation on your part.

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Ulster businessmen pin hopes on new investment

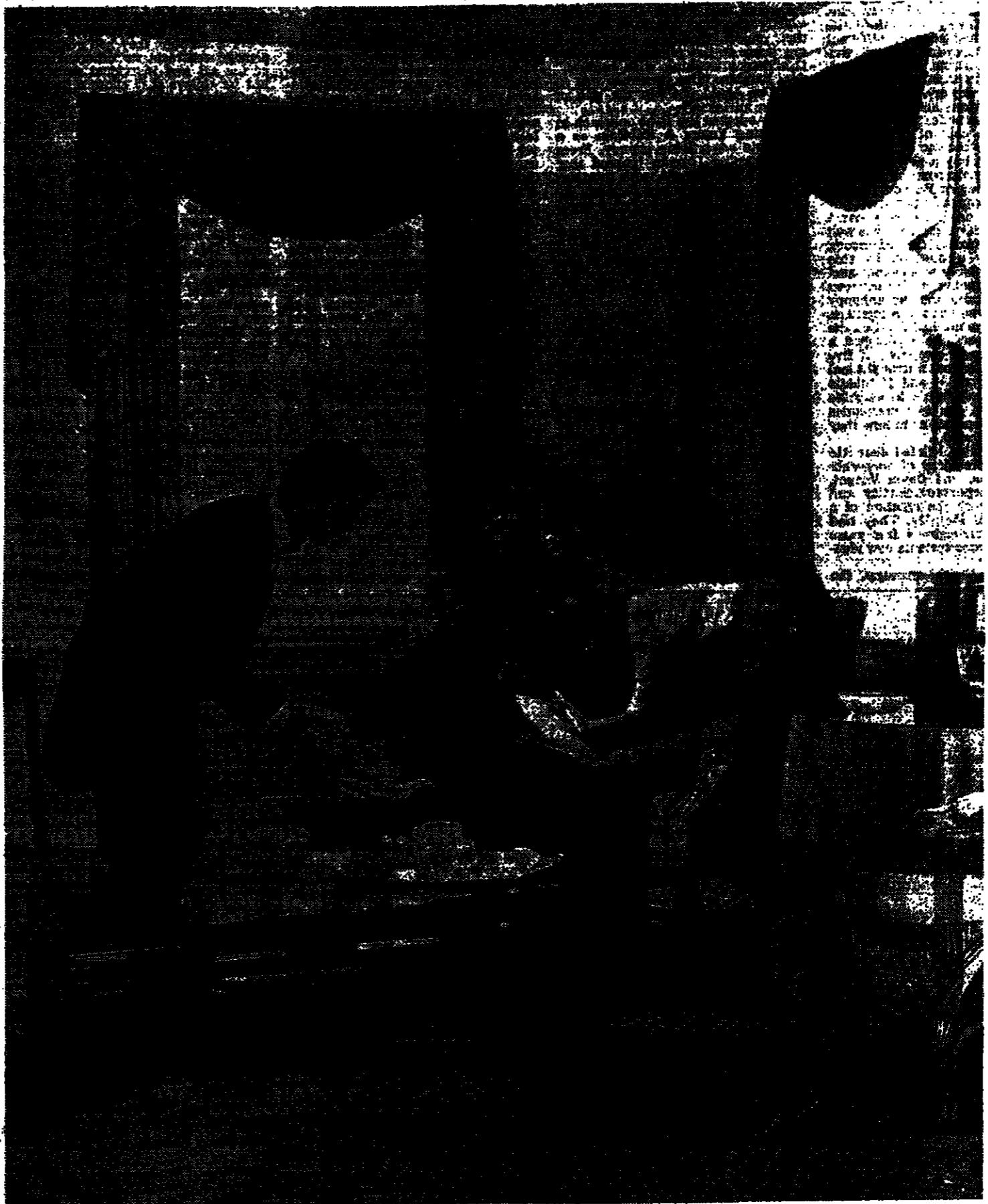
THE HIGH PRICE paid by the British Government to privatise Short Brothers, the Belfast aircraft manufacturer, which is receiving £700m in state aid in order to make it a viable proposition for Bombardier of Canada, which is purchasing the company for £30m, highlights the fundamental weaknesses that have been endemic in the Northern Ireland economy. Labour demarcation disputes and weak management have lingered longer in the province than elsewhere in the UK. The geographical location puts it at a disadvantage. Its local market is tiny. Transport costs to the mainland, and the rest of the European Community, are high. Traditional manufacturing has declined rapidly. A recent report showed more than half of the ways of companies attracted to the province in the 1960s have departed. Most probably went not because of "the troubles" - the euphemistic term used in Northern Ireland for the violence - but because they were branch plants, relatively small, and the first to be closed during industrial restructuring. Mr Eddie Haughey, founder of Norbrook Laboratories, and Mr Tom Wright, managing director of F.G. Wilson (Engineering), show the province is just as capable of creating companies which can grow as any other region of the UK. Both companies have been helped by the Industrial Development Board (IDB), the province's industrial equivalent of the development agencies in Scotland and Wales. Increasingly, the IDB succours companies such as Norbrook and Wilson as well as chasing footloose investors around the globe in the hope of luring them to Northern Ireland. Its big success last year was persuading Montpet, the automotive components maker, to come to West Belfast. The Government will contribute nearly £38m, about 40 per cent of the total, towards the Montpet investment over the next few years (the first payment has just been made), which will create more than 900 jobs. Mr Haughey of Norbrook is going the other way. This week he plans to sign the contract which will set up the company in the US. Three pharmaceutical com-

panies are to be purchased. They will take Norbrook from veterinary pharmaceuticals into anti-cancer and ophthalmic drugs for the human body for the first time. Expansion into a factory purchased near Denver, Colorado, will follow. Manufacture of the companies' veterinary pharmaceuticals range will be carried on at Newry, the location for Norbrook in Northern Ireland. Licences were the way that Mr Haughey got into his business. He went to the US after leaving school and worked in veterinary drugs marketing. He spotted opportunities for US veterinary products in the UK. At that stage, "Anybody could make anything and put it on the market in the UK." But by the 1970s he knew it was going to change. Mr Haughey picked up patents which were running out. He came back to Northern Ireland and within a few years the tiny Norbrook operation had expanded to include its own research and development and manufacture of veterinary products under the Norbrook label and under contract.

the Norbrook plant, where about 300 people are employed (about one quarter graduates) stands out like a beacon. "Its image is a disadvantage. But I would not change the location. The workforce is incredibly efficient and loyal." Nearly two-thirds are Catholic, as is Newry. The work ethic, or lack of it, is much discussed in Northern Ireland. In north Belfast, at F.G. Wilson, an engineering company founded by Mr Fred Wilson in 1966, the expectations of the workforce are high. Mr Tom Wilson, 37, son of Fred who developed the company into one of the foremost manufacturers of generating sets in the UK, Wilson has grown when the industry in Britain has declined. It understands marketing and exports most of its production. Markets are well-spread between the developed and developing world, between the Middle East, Europe, including France, which has a healthy indigenous group of manufacturers. There was a time when the entire power supply in Gambia depended on Wilson generators. Over 5,000 generating sets a year are manufactured by Wilson, mostly upwards of 200 KW. The engine - mostly Perkins or Rolls-Royce - and the alternator comprise about 60 per cent of the final cost. These are brought over from England, to be assembled into the generating set, and shipped around the world. Wilson has its own transport fleet. Although generating sets are the preoccupation of Mr Tom Wilson, he is also in the process of doing a neat property deal on the adjacent factory, once occupied by Lear Fan, bought by Wilson, and about to be sold on complete with equipment to a Belgian manufacturer. Norbrook and Wilson both acknowledge the help that the Government, through the IDB, has given them. "It helped out cash flow," says Mr Tom Wilson. Engineers are also needed because value is increasingly being added to the product. Wilson is developing technologically, not content simply to assemble. "An abundance of skilled and willing workers, and no rates to be paid on manufacturing premises outweigh some of the geographical disadvantages. But not all. You can only win here with your wits."

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Grosvenor House
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GROSVENOR HOUSE

MANAGEMENT: Marketing and Advertising

One autumn day in 1986 the world's third largest computer company lured one of its employees to its Detroit headquarters on false pretences.

The employee - Lee Machen, a project manager in the company's Atlanta office - had been told to travel to Detroit for a marketing presentation. On arrival he was presented with a cheque for \$5,000 as his prize for winning the competition to invent a new name for his company.

Unisys, his name for the product of the merger between Burroughs and Sperry, is now recognised throughout the world. When the name was first unveiled it was greeted with derision. "If Unisys was the winner, imagine how the losers sound," was a typical comment. Today it is regarded as one of the world's most successful corporate identity programmes.

The search for a new name began in June 1986, as soon as Burroughs had reached agreement to acquire Sperry. Michael Blumenthal, the cigar-toting chairman of Burroughs and the architect of the acquisition, was determined that the deal should be regarded as a merger, not a takeover, and would create a new force in international computers.

Blumenthal had a clear vision of the kind of company he needed to create. In the 1980s the big companies which buy information technology systems had become increasingly internationalised.

Both Burroughs and Sperry had extensive international networks. But, until a few years before the merger, they had adopted different corporate identities for different divisions and in different countries. Neither gave the impression of being an international company.

The new company also needed to be recognisable outside the computer industry. The cost of information technology has become so high, that the decision to buy a new system is now made by main board, but at this level the names of Burroughs and Sperry were frequently unknown.

Blumenthal needed a new name and he needed it quickly. He was well aware of the anxiety created among employees by a merger. In this instance the anxiety was exacerbated by the long standing rivalry between the two companies and the unhappy history of past mergers in computers.

As soon as the ink had dried on the acquisition papers, he established a transition team - composed of five senior executives from Burroughs and three from Sperry - and 13 middle management task forces to examine every aspect of the two companies and produce proposals as to how they should be integrated.

Blumenthal also briefed Jeanette Lerman, vice-president of corporate communications, and David Wright, director of corporate identity and design, to oversee the creation of a new name and identity. They had both joined Burroughs a few years previously to orchestrate its new identity programme.

Lerman and Wright managed the

Corporate identity

A derided name that has confounded the critics

Alice Rawsthorn on the making of the Unisys computer group's image

Unisys programme from start to finish. "It essential that the same people are involved throughout," says Lerman. "In many companies the chairman will start by showing a deep interest and then delegate to a lower level. By the time the programme is completed it is often handled by somebody so junior that they had not attended the original briefings and do not know what was specified."

The first step was to appoint a design consultancy. Lerman and Wright invited six consultancies to pitch for the project to a very specific brief. They then took up "references" on each consultancy from the consultancies' former clients with programmes of a comparable scale to check on their comparative strengths and weaknesses. They chose Anspach Grossman Portugal, the New York consultancy which had worked on the name change from International Harvester to Navistar.

Lerman and Wright also specified exactly who they wanted to work on their project. "Too often clients see a top team at the pitch only to find themselves working with juniors," says Lerman. "Our timescale was so tight we could not run the risk of making mistakes."

They adopted the same approach in appointing Young & Rubicam as a corporate advertising agency. From the beginning Lerman insisted that AGP and Y&R should work together. "We did not have time to waste by saying the same things several times to different people," says Lerman.

The next step was to launch a company-wide competition to invent a new name. The competition was also designed to distract employees' attention from the uncertainty surrounding the merger.

"Everyone could participate regardless of rank and location," says Lerman. "It gave people something to think about other than 'Will I keep my job?' and something non-divisive to talk about when they met for the first time."

But the competition was a risk. No-one knew what the level of response would be. AGP generated nearly 6,000 names as an "insurance policy" in case the employees' suggestions were unusable.

By the time the competition closed in late July more than 31,000 entries had arrived at Detroit. Some employees suggested one name. Others sent in hundreds. Suggestions ranged from Blue Busters, to Reach for the Sky and Yet Another Computer Company.



Michael Blumenthal

AGP drafted preliminary logos for the six shortlisted names. Lerman and Wright had learnt during the Burroughs identity programme that symbols can cause difficulties and that the same design which had worked so well on a Detroit letterhead might not look so good on a sign outside a Denver factory, or on the quality of paper used in New Delhi. They stipulated that the logo must be a word - without an accompanying symbol - and that it must be applicable to different materials.

The final choice was made by Blumenthal, Lerman, Wright and members of the executive committee. Although Blumenthal, who is famous for his draconian management style, played a leading role, Lerman sees this as an advantage. "We were working to such short timescale that management by consensus would have been impossible," she says.

When Unisys was finally chosen - "It was the memorable, international name we had been looking for," says Lerman - AGP devised five final designs for the logo. Blumenthal took just 20 minutes to choose one of them.

While the lawyers were conducting a worldwide legal search on the Unisys name, AGP drafted designs for stationery, signs, badges and brochures. Y&R, which did not yet know the new name, completed the creative work for the ad campaign using an anonymous blob as the logo.

Only a few people within Burroughs and Sperry were told the new

name. In the meantime the new company was referred to as Newco. David Wright designed a corporate logo for Newco and Blumenthal ordered a batch of Newco baseball caps. Whenever anyone said "At Burroughs (or Sperry) we did it like this" at management meetings, Blumenthal told them to put on one of the caps as a "punishment".

Lerman and Wright prepared for the implementation of the new identity. "Too many programmes concentrate on design at the expense of implementation," says Wright. "The key to a successful programme is making sure that the identity is understood and used properly throughout the company."

The programme was orchestrated from the US but they issued specific instructions on implementation to the directors of communications in each country. Lerman and Wright also took responsibility for ordering new stationery and signs in the US to benefit from bulk buying from the centre.

For Burroughs they had negotiated signage contracts for different areas of the US and individual countries, but for Unisys they chose a national contractor for the US which sub-contracted in other countries. This cut the cost of signage from the \$10m originally expected to \$3.5m.

Business cards were ordered in bulk. This cut the cost of a box of cards from \$40 to just \$3.50 in the US. They also redesigned the implementation manual - usually a 'bible' containing every aspect of the identity - into five manuals covering different areas. This meant that the manuals were not only easier to use, but less expensive.

The legal search on Unisys was completed on November 6 and the new name was unveiled on November 10. The timescale for the programme was unusually tight. Ken Love, the AGP partner responsible for the project, says he has never finished an identity project so quickly.

On the day of the launch the company had its new name and logo emblazoned across two signs at world headquarters in Detroit, one sign outside the corporate headquarters at Blue Bell in Pennsylvania and the business cards of the 12 top executives.

The launch was accompanied by the beginning of Y&R's \$20m worldwide advertising campaign. Lerman and Wright then embarked on the process of implementing the programme through the design manage-

Do not use the logotype with out the dot

UNISYS

Do not change the size of the dot

UNISYS

Do not change the shape of the dot

UNISYS

Do not repeat the dot

UNISYS

Do not place the logotype on a heavy textured background

UNISYS

Some "don'ts" from the book of Unisys corporate identity standards. Chairman Michael Blumenthal describes the programme as setting "the standards for the visual expression of who we are and what we stand for - strength and solidity, excellence and innovation"

ment structure they had established with the heads of communications. Over the next year the Unisys logo was introduced to everything in the company from business cards to carrier bags.

Unisys' research showed that within six weeks of the launch the new name was recognised by 16 per cent of its US "target audience" of the managers who might be involved in the decision to purchase an information technology system. The recognition rate has since risen to 46 per cent.

David Wright believes that the most important element in the programme's success was that the company was absolutely clear about what it wanted from its new name and identity from the very start.

"A successful programme is all about being extraordinarily specific about the job to be done," he says. "If you are not precise then the consultancy may think you mean one thing, when in fact you want another."

"Creating an identity programme can be like leaving a very expensive taxi meter to run and run. The 'I'll know whether I like it when I see it' attitude can cost an awful lot of time and money."

Striving to be a third force

WHEN MICHAEL Blumenthal announced the coup of his business career - the merger between Burroughs and Sperry, its age-old enemy - one sceptic likened it to "hacking the Lusitania with the Titanic".

Both companies could claim a proud history of innovation. Burroughs began in business by inventing the adding machine in the 1890s. Sperry started with the gyroscope in the 1920s. But after the relentless rise of IBM in the 1960s, they were relegated to the menial roles of the "dinosaurs" of US computers.

Burroughs had been revitalised under the leadership of Blumenthal in the early 1980s. But Blumenthal, who is as renowned for his strategic sense as for his indifference to day-to-day management matters, realised that Burroughs alone was too small to remain competitive in the international computer industry.

In 1986, on his second attempt, he orchestrated the \$4.5bn acquisition of Sperry. He then acted swiftly to merge the two into Unisys.

Blumenthal envisaged Unisys as a dynamic third force in international computers. Initially the merger went well. The new company benefited from cost cutting. Moreover it managed to shunt off the old association of Burroughs and Sperry with old-fashioned mainframes through its involvement with Unix, a new industry standard for computer operating systems.

But Unisys is in trouble. It lurched into a \$78.7m loss on revenues of \$2.2bn in the first quarter of 1988; when sales of its old mainframes slumped before a replacement range had been introduced. It also suffered from a freeze on new US Navy contracts after the Sperry defence procurement scandal.

Unisys insists that it can overcome these problems. And Blumenthal is still committed to turning it into a \$20bn corporation by the early 1990s.

Marketing abstracts

1992: The cant dispelled. *M. van Meerdag in Industrial Marketing Digest (UK), Vol 13 No 4 88 (7 pages).*

Objects to implications in "1992" articles that there will then be a "single market"; refers to almost 4,000 differences (not listing them) between the members countries that will remain; mentions and appraises three alternative marketing strategies. Auditing you customer service activities. *J.I. Coppett in Industrial Marketing Management (US), Nov 88 (8 pages).*

Using the term "auditing" in the US connotation of "reviewing" with the aim of improving, looks at the manifold aspects that can be considered now that the economy's emphasis is moving to service and customer expectations are rising. Stresses that suppliers always understand what their customers' expectations really are, and provides a categorisation of customer service requirements. Points made are illustrated from real life, such as the "cool" (free) line of a DIY company on which technicians help customers with minor repairs. Sponsorship strategy is adrift. *D. Gilbert in The Quarterly Review of Marketing (UK), Autumn 88 (4 pages).*

Notes the reasons for sponsorship and proposes a definition that sponsorships be based on a "business decision that a subsidy will be given in return for material benefit"; welcomes the move towards re-naming sponsorship sports marketing; points to failings in sponsorship and suggests areas of change, for instance, in setting tighter objectives and strengthening sponsorship's linkage role between promotion and public relations.

Selling: treat sales agents like family. *M. Everett in Sales & Marketing Management (US), Jan 89 (5 pages).*

Describes the dilemma of the manufacturer who sells through independent agents: entrust your wares to well-established agents, and you'll be "tenth out of the bag", which means no sales; switch to hungry young agents, and they won't even get a foot in the target's door. Yet manufacturers who have a happy relationship with their independent agents can do well.

These abstracts are condensed from the abstracting journals published by Ashor Management Publications. Licensed copies of the original articles may be obtained at a cost of 25 each (including VAT and p.p.s.) each with 20% from Ashor, 20, Rue St. Vrain, 92000 Nanterre.

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TECHNOLOGY

البحر الأحمر

The M25 London orbital road is jammed again. So too is the Paris Périphérique and the Triboro bridge out of Manhattan. You turn on the radio to hear a "traffic flash" repeating earlier warnings of long delays and suggesting you avoid the area.

Digital radio gets set to steer the driver around a jam

Paul Abrahams explains how advances in car electronics can ease traffic headaches

However, advances in the digital electronic equipment fitted to cars will enable motorists to avoid such jams. From July, drivers in the UK will be able to ensure that they do not miss those all-important traffic flashes. A new service, using a technology called radio data system (RDS), will be available on BBC local radio stations in London, Essex, Bedfordshire and Kent. The scheme will eventually cover the UK and may be extended to Europe.

RDS uses a specially adapted radio. The machine will automatically interrupt other radio stations, the cassette player or the silence of the music mode to give the latest local traffic update on the nearest local station. Afterwards the system returns to the interrupted programme.

The technology enables a radio station to transmit digital codes simultaneously with ordinary FM analogue radio programming. These inaudible codes, which are broadcast at a rate of 1,187 bits a second, are recognised and decoded by the adapted radio. Transmitted at the beginning and end of each traffic flash, the codes warn the radio that the relevant message is being broadcast.

RDS has other uses. Manufacturers say that eventually

each station will send out a signal identifying the sort of programme it is broadcasting. This will allow a driver to choose a programme by its subject matter and should reduce those dangerous moments spent tuning to a frequency of radio stations while trying to steer the vehicle.

In the meantime, there are plans to internationalise the traffic information service. Digital information about traffic and road conditions could be broadcast at the same time as the traffic flash. This code would identify the road with the problem and the length of the likely delay. The information would then be displayed on a screen or sent to a printer or voice synthesiser.

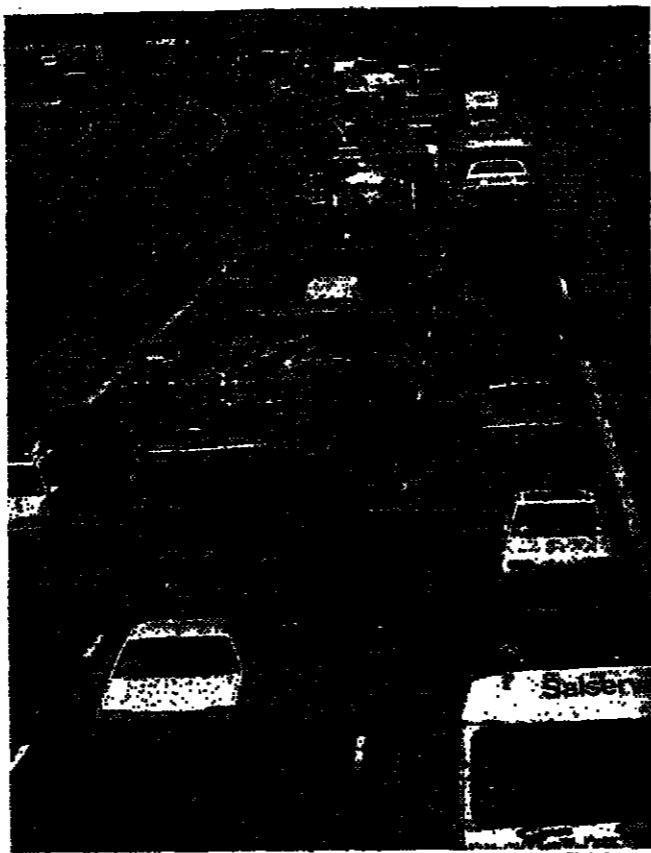
In theory, if the codes were standardised, a French car in the UK or a Dutch car in Italy would be able to pick up the digital message and then translate it into a language understood by the driver.

However, Bert van de Wakker, a senior product manager at Philips, the Dutch electronics group, says that although the technology is available, standards before manufacturers will be willing to invest in production.

Managers at Philips say that the company is unwilling to pioneer technology without standards. They complain that Philips has too often played the role of trail-blazer, investing in expensive research and development and showing the way to competitors, only to find its results compromised by an unexpected standards development.

The company points out that once standards are set, progress can be rapid. It hopes eventually to introduce radios which pick up all programmes digitally.

Apart from Philips, the companies which manufacture radio sets with RDS include



The sort of traffic jam on the M25 which a radio data system could help the motorist to avoid

Sharp and Pioneer, of Japan, and Grundig, of West Germany. At present, such radios cost about £350, but the BBC hopes to sell a portable RDS machine for home use for about £100 in 1990.

The introduction of digital radios should improve the quality of sound. Ordinary radio signals are analogue, which means that any distortion is replicated through the loudspeakers.

The problem with broadcasting digitally is that the amount of information entailed in achieving present compact-disc quality - 44,100 bits of data a second - is far too great for standard radios to handle.

The answer is to reduce the number of bits, which can be done by eliminating inaudible frequencies.

The advantage of a digital car radio is that it can compensate for any distortion. Recent tests by the European Broadcasting Union in the mountains around Geneva found that only a few trained musicians could hear the difference between digitally broadcast music and compact discs.

The advantage for the manufacturers of such radios is that the components could be reduced to a couple of microchips, which would make the systems more reliable and cheaper to produce because assembly would be highly mechanised.

Philips believes that car electronics will become increasingly important. It points out that because the demand for aerodynamic performance has limited the scope for differentiating saloon cars by shape, manufacturers will want to install electronics as an alternative way to gain competitive advantage.

The company estimates that eventually as much as 50 per cent of the cost of a car could be made up of electronics. But that depends on whether the consumer sees the car as a vehicle for entertainment, or just as a method of getting from A to B.

Water authority finds way to filter information

A Britain's water privatisation plans swing into action, the 10 water authorities in England and Wales are turning to computer technology to ease the move to the private sector.

One example is Wessex Water, which covers more than 2m consumers from Bristol to Bournemouth. It has adopted an executive information system (EIS) to try to give its managers a better insight into their business.

An EIS is a software package which runs on a personal computer and extracts information from a company's web of data processing centres - in Wessex Water's case, computer systems from IBM, Digital Equipment, National Advanced Systems, Wang and Hewlett-Packard. It then presents the data in an easily accessible way, including charts or graphs.

Colin Skellett, chief executive of Wessex Water, and his senior managers use a Comshare EIS package to filter out important data. Previously, they had found that whenever they asked for more information, they were inundated with paperwork.

This point is echoed in a survey of 100 senior managers, carried out by Comshare, of Michigan. Forty four say that they receive too many reports, and 45 that they use subordinates to sift out relevant data.

According to Ian McNaught-Davis, managing director of the UK arm of Comshare, it is a case of "data, data everywhere and not a thought to think."

Instead of employing subordinates to extract information, the EIS system does it through customised software, which arranges and displays the data in the sequence preferred by the individual executive. When a problem area is spotted - a loss in a particular sector, for example - the executive can "bore down" through the layers of data to seek the cause.

The introduction of the EIS system at Wessex Water has given the management the confidence to review the organisation and to streamline some of the management tiers, says Skellett.

Tailoring the software to the needs of the individual executive and the way that executive works is responsible for about half the cost of an EIS system. Such systems cost between \$55,000 and £200,000, but they are selling like hot cakes because executives believe that they extract the data which can put them on top of a situation instantly.

Other vendors of EIS packages include Execucom, of Austin, Texas; Pilot, of Boston; and Metaprox, of Kingston upon Thames in the UK.

Della Bradshaw

Head start for digital sculpture

NOUVEAU Sculpture, of London, has developed a system of laser scanning and digital measurement which, combined with a milling machine, is able to record the dimensions of an object in three dimensions and then produce an exact replica from a plastic block.

One application is for automatic sculpture - the three-dimensional equivalent of a photograph. The sifter simply keeps still for 15 seconds while a scanning and measuring laser camera is rotated the full 360 degrees around the sifter's head. The system, a short range optical radar, operates 25 cm from the subject's head and takes measurements in a series of "slices".

The resulting digital data is processed and fed to a milling machine working in the vertical plane upon a rotating block of material. The "sculpting" of the sifter's personal sculpture takes one hour or more, depending on the complexity of the work, and the type of material used.

The electronics can scale the size up or down and accuracy better than one per cent is claimed. Apart from "solid photography", which the company sees as being at the same stage as ordinary photography at the turn of the century, there are applications in military engineering, and in medicine for the modelling of limbs, organs or teeth.

A further possibility is the copying of valuable objects, such as antiques, in the art world, the machine makes it possible to manipulate shapes into new forms.

Photo-realism for architecture

NOT LONG ago, the representation of landscapes in flight simulators, or of moving mechanisms in computer-aided design, called for room-sized computers at prices that put such technology beyond the reach of all but large companies and the military.

But the hardware has become steadily cheaper and more powerful and, according to UK company F Solutions, has now caught up with the architectural software that it has written. The software, called Sonata, when running on the Personal Iris 4D machine from Silicon Graphics, produces "a major step towards photo-realistic images of buildings."

Using Sonata, an architect can view designs from any angle and produce the effect of walking round the building with a video camera. He can then incorporate changes and, at the touch of a button, automatically update all the drawings.

For exterior work, the architect can see how the building will cast shadows every minute of the year, while the interior designer can experiment with different furniture, decor and lighting.

Help with fighting disease

PLANT Safety, of Manchester, has launched a service to help prevent outbreaks of Legionnaires Disease.

The bacterium which causes the disease incubates in warm water, for example in wet cooling systems, and is spread in airborne spray.

The new inspection and consultancy service aims to help management to operate safe installations and maintain them properly. It

WORTH WATCHING

Edited by Geoffrey Charlish

checks that the buildings comply with both the Health and Safety at Work Act and new regulations on the control of substances hazardous to health.

First a survey is made of the building's heating and ventilation system, including water sampling. If necessary, modifications to plant and equipment are recommended. A list of 250 points and verification of any work carried out. Afterwards, maintenance procedures are set up.

The company has a staff of 500 and operates from regional UK offices using a network of engineering surveyors.

Desk-top bonus via US-Japan link

ARDENT, the US maker of desk-top mini-supercomputers, has been promised an additional \$20m by its manufacturing partner and principal investor, Kubota of Japan. This will double the Osaka company's share in Ardent, bringing it to about 44 per cent.

Allen Michels, Ardent's chief executive officer, says that the move reinforces a unique American-Japanese partnership and could "set a precedent for future trans-Pacific relationships."

"Some of the money will be used to complete development of a family of high-power machines, scheduled for announcement later this year. This will range from a low-cost "truly personal" desk-top mini-supercomputer to a full-scale mini-supercomputer.

Although it has only recently formed the computer business, Kubota claims to be the leading supplier of large-scale graphics processors in Japan.

Sounding out paper tension

ABB INDUSTRY, part of ASEA-Brown Boveri of Sweden, has devised a non-contact method of measuring tension in the paper web at paper mills.

The system measures tension across the width of the paper by an acoustic method and eliminates tension problems, which can cause wrinkles in the paper, web breaks and poor results in subsequent printing.

Called Tensioner, the system uses a loudspeaker to generate waves directed at the web. The faster the waves travel in the web, the higher the tension, and the system measures the velocity.

The waves are monitored by a laser-based system, the signals from which are processed by computer to produce a screen display.

CONTACTS: Nouveau Sculpture: London, 020 1823. F Solutions: UK, 0425 852451. Plant Safety: UK, 061 424 9771. Ardent: UK office, 0283 926226. ABB Industry: UK office, 091 427 2222.



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FINANCIAL TIMES

Thursday June 15 1989

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Japan to provide \$2bn in support loans for Mexico

By Peter Riddell in Washington

JAPAN has agreed to provide \$2bn of support for Mexico's economic reform and debt reduction programmes...

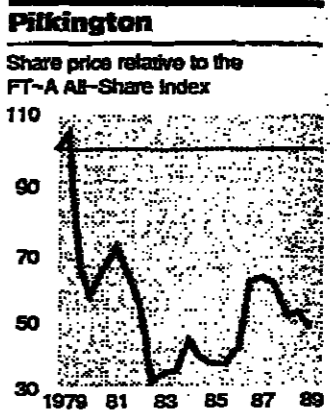
Third World debtors. This was the main part of its backing for the debt and debt service reduction initiative...

IMF board last month agreed \$4bn of support. Both loans are tied to internal reform programmes...

World Bank decision, the Japanese government has said it would provide a \$450m loan to Mexico associated with the immediate loans.

intends to provide about \$1bn in co-financing loans to Mexico in parallel with the IMF's lending programme.

The brave face of C and W



The word from the front is that telephony lines are buzzing in Hong Kong, and that the future of the colony's telecommunications company is probably no less rosy...

company which prides itself on being a world leader, there was no point being number 18 in the consultancy pecking order...

A Green pattern emerges across Europe

Only the ecologists' election platform transcends national frontiers, writes Bruce Clark

I'VE DETECTED a pattern: shouted one of the journalists who sat in a Brussels press centre exactly five years ago, watching the results of the last European elections...



far enough from the country to be nostalgic. If anything, the Green vote may understate latent sympathy for ecology issues.

would agree that these demands are other-worldly; but, since the elections are European rather than national, even the most loyal supporter of Nato can vote Green in fair confidence...

Monetary union would 'benefit London'

By Peter Norman, Economics Correspondent, in London

LONDON'S future success as a financial centre could receive a powerful boost, both psychologically and physically, from monetary union in the European Community...

its to be placed on member states' budget deficits. This notion has been roundly rejected by Mr Nigel Lawson, the British Chancellor, and provoked deep disquiet among many British economists and parliamentarians.

Greenspan sees wider role for \$

By Peter Riddell, US Editor, in Washington

THE GROWTH in international trade and internationalisation of financial markets may continue to bear disproportionately on the dollar, Mr Alan Greenspan, chairman of the US Federal Reserve, predicted yesterday.

Spanish savings banks begin merger talks

Continued from Page 1

years they have expanded quietly into lending to small and medium-sized businesses to counteract the big Spanish commercial banks' moves into mortgage lending.

Späth cools Gorbachev euphoria

By David Marsh in Stuttgart

MR Mikhail Gorbachev's call for a common European home was given a sharp reminder yesterday when Mr Lothar Späth, Prime Minister of Baden-Württemberg, reminded the Soviet leader of the "barbed wire and wall across the building site of the common home."

Boeing 737-400s grounded

Continued from Page 1

lines are likely to seek compensation from the engine manufacturers for those losses. Investigations into the failure of the fan-blades is being carried out by Snecma at its factory near Paris.

United Biscuits

There is certainly plenty of money to be made from retailing junk food in the UK.

THE BRITISH Army Personnel Research Establishment is to use a Ferranti International small arms trainer to evaluate the effects of vision, regulators, wobble and clothing on a soldier's ability to fire his SAS9 rifle.

Table with 3 columns: Location, Temp, Wind. Includes cities like Alaska, Florida, London, etc.

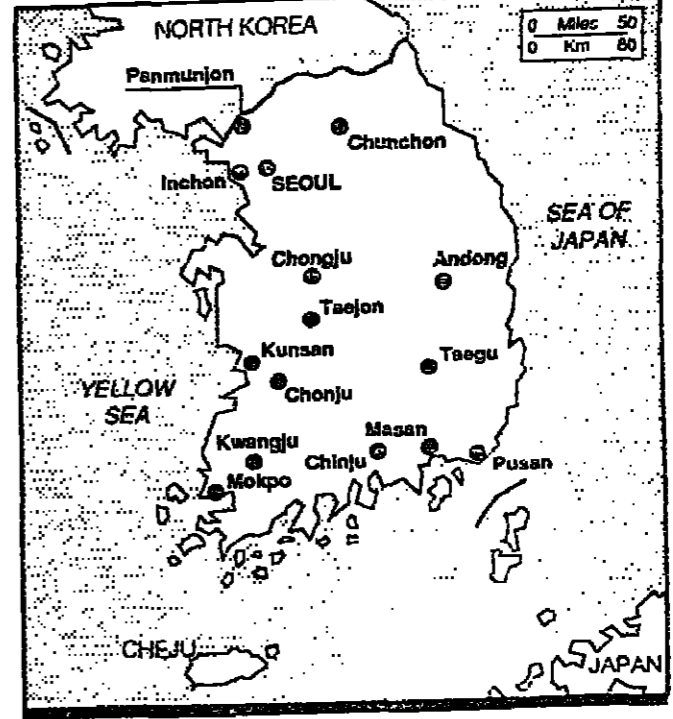
ADVERTISINGMENT for FERRANTI INTERNATIONAL, featuring sections on AIR TRAFFIC, SUBMARINES, Semtex detection, and Briefly...

FINANCIAL TIMES SURVEY



Seoul's transition to democracy has forced many difficult domestic political readjustments, a

wholesale restructuring of the economy and a fresh foreign policy. Few countries have undertaken simultaneously so many profound changes, writes Maggie Ford



Restless labour: perhaps the most difficult problem in industry is the relationship between management and labour

Difficult transitions

CONVERSATION at a Seoul dinner table is depressingly familiar. House prices lead the complaints, followed by the doldrums in the stock market, capped by the traffic problem. In a country where people's main consideration used to be freedom, democracy and human rights, Seoul's most recent demonstration was against a plan to build a new satellite town. Look below the surface, however, and it can be seen that only some things have changed. For many South Koreans, the legacy of the past remains unresolved, and the problems of the present are simply adding to life's difficulties. Transitions from authoritarian rule are never easy, as the Soviet Union and China have shown, and South Korea may take credit for completing two years of difficult, but relatively non-violent change. The challenge for the Government of President Roh Tae Woo is that the country is less than half way to its goal. The difficulty is compounded by the fact that to install a stable and equitable democratic society requires not only political change, but also a wholesale restructuring of the

economy. At the same time, external and internal pressures have forced a transformation of trade. Few countries have had to attempt such a large number of transitions at the same time. Politically the country got off to a good start last year when the opposition parties won a majority of seats in the National Assembly for the first time. An over confident and shocked ruling party has since been forced to compromise over the many serious political issues facing the country. Some progress has been made. Former President Chun Doo Hwan appeared on television to apologise for his misdeeds and repaid illegally raised funds. Many of his corrupt family members are in jail, and other figures from the previous regime such as the internal security chief have been put on trial. But Mr Chun has not yet met an opposition demand that he testify to the National Assembly over his regime's brutality. The Government has also failed to secure the resignation of the ex-general held responsible for the 1980 massacre in the city of Kwangju, where at least 200 students and their supporters were killed by the army after demonstrating against

martial law. Mr Kim Dae Jung, the opposition leader, who was jailed before the incident and sentenced to death later for causing it, has told President Roh that he must resolve the problem by the end of this year or suffer a campaign to remove him from office. Government efforts to clear up the past have been resisted by hardliners in the ruling party, who have also put strong pressure on the President to crack down on what they see as left-wing extremists. Such extremists were discredited when a confrontation in a provincial university left seven riot policemen dead after petrol bombs were thrown indoors. A voluntary ban on petrol bombs and tear gas has been agreed. However, opposition leaders have pointed to a rise in activity by the security forces and police. A National Assembly team is investigating the death of a Kwangju student who disappeared on the same day as the riot police were killed. His body was later found in a reservoir and a Government report claimed he had drowned. Demonstrations have been held daily since then in the provincial city demanding that the facts be revealed.

All South Korea's political parties have been struggling to cope with the social pressures that have emerged since the lid of dictatorship was lifted. A largely hostile press, more free but hardly objective, has attacked all sides in more or less equal measure. Inexperience in public consultation, some dishonesty and misjudgement have led to numerous political mistakes. The result has been a level of public disgust with politics that all parties will have to address if they wish to restore their popularity before local autonomy elections next year. South Korea can however point to several successes in foreign policy. President Roh's twin track policy of improving relations with Communist countries has resulted in diplomatic relations with Hungary, Poland is expected to follow suit. The Soviet Union, China and other East bloc nations have established trade relations. Two opposition leaders have visited Moscow and Budapest, and the Seoul Olympic Games have clearly boosted South Korea's image and attractions worldwide. The other track, involving relations with North Korea, resulted in a series of meetings but no positive outcome. A

clandestine visit by a dissident clergyman to the North shocked conservatives and the policy is now being rethought by the Government so as to obtain public consensus in advance through the National Assembly. Perhaps the year's greatest foreign policy triumph was South Korea's achievement in persuading the US not to place it on the "Super 301" list of unfair trading nations. A major lobbying effort was launched by several ministries and the National Assembly to explain South Korea's efforts to open its markets, diversify its trade and reduce surpluses. The effort, which put economic facts into the political and security context, including the risks of fanning anti-Americanism, convinced Washington of Seoul's sincerity and should boost President Roh's efforts at economic restructuring. The difficulties here are substantial. After three years of a 12 per cent gross national product growth and current account surpluses of up to \$14bn, the South Korean economy has become overheated. Inflation is now expected to reach 8 per cent this year by conservative estimates and speculators have pushed up land and housing prices by as

much as 300 per cent. The Seoul Stock Exchange rose by 70 per cent last year. At the same time, the 16 per cent appreciation of the country's currency - the won - against the dollar last year, along with double figure wage rises for three years running, are making lower level industries such as footwear, toys and textiles uncompetitive. These industries are moving offshore to lower cost countries and producers of cars and electronics are moving up market into more value added products. Luckily, this transition period, made worse by protectionist constraints, is being cushioned by a major rise in domestic demand. More prosperous workers - buoyed by pay rises - are snapping up cars and cameras, and luxury imports are doing well. Investment remains strong. Economic planners predict that growth will reach 8 per cent this year, with current account surplus predictions varying between \$7bn and \$9bn. Perhaps the most difficult problem in industry is the relationship between management and labour. A national crisis was averted when the Hyundai group demanded the Government send in police to break a shipyard strike. Government

officials remain confident that good labour relations will be established over the next few years, but the possibility of deep seated confrontational attitudes developing cannot be dismissed if a new approach is not adopted soon. Efforts to restructure the financial sector are being hampered by inflationary pressures, fears about economic concentration by big business and the power of foreign investors. The Government announced a plan to open the stock market partially to foreign investors in 1992, but remains concerned that it will be too weak to resist being swamped by foreign ownership. Investors can do little more than wait and see whether the plan is implemented on time. An internal restructuring of the banking sector and money markets is proceeding slowly with a lack of technology and training the main problem. A new tax system along with computerised real name transactions is to be introduced, possibly as early as late next year. Across all sectors, the South Korean Government has made a clear commitment to change. In many cases, however, the political and economic realities

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are disrupting the timing or extent of adjustments, making progress towards an equitable economy just as difficult as the transition to democracy. But as South Koreans know, the country's phenomenal economic progress over the past 40 years was not won without sacrifice. Along with being rich, Koreans would like to be democratic, respected, independent, reunited and, no doubt, famous. Few who know the speed of their reactions and their determination to succeed would dare to deny that, in the end, they may get what they desire.

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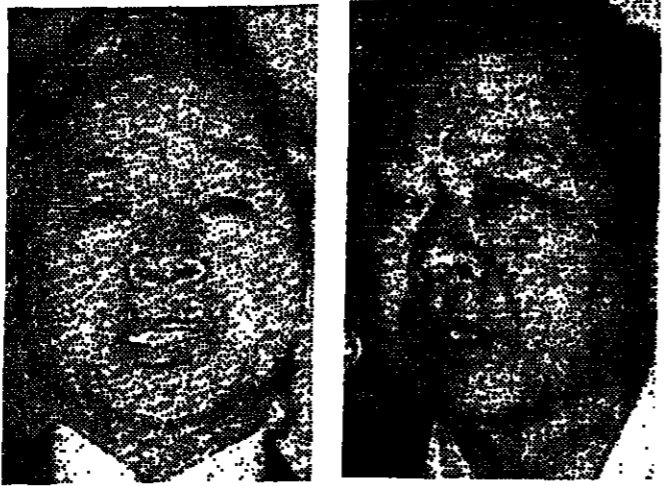
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SOUTH KOREA 2

Maggie Ford on the unexpected problems of political adjustment

Parties struggle to sparkle in transition to democracy

TWO YEARS after democratic reforms were introduced, South Koreans are indubitably fed up with their politicians...



Kim Young Sam (left) leader of the Reunification Democratic Party and Kim Dae Jung of the Party for Peace and Democracy...

National Assembly to operate. When Mr Kim Dae Jung, for instance, tried to reach agreement with the President...

South Korea is facing the problems of transition, and few seem to have expected how difficult these would be to surmount

At the other extreme, many conservatives brought up for years to expect an orderly society where everyone had a place...

whom, like Mr Kim himself, were victims of the Chun government. Equally, Mr Kim Young Sam's popularity with the middle class was severely dented when he pushed for the holding of a referendum...

Roh appeared to be close to reaching agreement over testimony by his predecessor to the National Assembly...

The Opposition has now in effect put the President on notice that he has six months to clear up the past problems before a campaign will be launched to force him to hold a referendum on his rule...

Others, however, have been horrified by such changes as have been made and some are even nostalgic for the old days of strict control...

Mr Kim Dae Jung, a dissident who was under house arrest and without civil rights in 1987, is now leader of the main Opposition party...

Several hundred political prisoners have been freed, although a number of labour activists have taken their places in jail...

When President Roh Tae Woo earlier this year called off a mid-term vote of confidence he had promised during his 1987 election campaign...

This year was not the time for South Korea to be plunged into what would have been in effect a divisive new election...

Only three days later Mr Roh substantially added to the list. He sacked 49 leading army generals...

Other events in recent months have shown, however, the difficulties he is facing in making the transition from authoritarian rule...

He promised free elections, the restoration of the rights of political dissidents and freedom for political prisoners...

Only a few of these pledges have been carried out and many Koreans feel that patience is not a virtue as far as democracy is concerned...

Others, however, have been horrified by such changes as have been made and some are even nostalgic for the old days of strict control...

Mr Kim Dae Jung, a dissident who was under house arrest and without civil rights in 1987, is now leader of the main Opposition party...

Several hundred political prisoners have been freed, although a number of labour activists have taken their places in jail...



Roh Tae Woo: sandwiched firmly in the middle

PRESIDENT ROH TAE WOO Short on solid achievements

prisoners have been freed, although a number of labour activists have taken their places in jail...

Further problems have arisen in the economy, where the public is becoming increasingly outraged at a rise in inflation and particularly house and land prices...

But pockets of serious resistance to change remain, especially in the security services, the police and in big business...

But the direction of his policy is clearly towards more democratisation and internationalisation, a breakdown of traditional barriers in foreign relations and a more responsible society...

Further problems have arisen in the economy, where the public is becoming increasingly outraged at a rise in inflation and particularly house and land prices...

speculators at the expense of home-buyers. Major disputes between labour and management have resulted in large pay rises to employees of big companies...

Government spokesmen say that the problems of the transition have been worse than they expected and more violent...

It is inevitable, however, that the problems of the transition will be worse than they expected and more violent...

But pockets of serious resistance to change remain, especially in the security services, the police and in big business...

Protected for the first nine months of his rule by the need for peace in the run-up to the Seoul Olympics...

But the direction of his policy is clearly towards more democratisation and internationalisation, a breakdown of traditional barriers in foreign relations and a more responsible society...

For as Koreans watch events in other Asian countries, especially China, and in the Eastern bloc, they remain optimistic that they are part of a world of change...

Maggie Ford

Michael Prowse on Seoul's radical rethinking of foreign policy

A clear break with the past

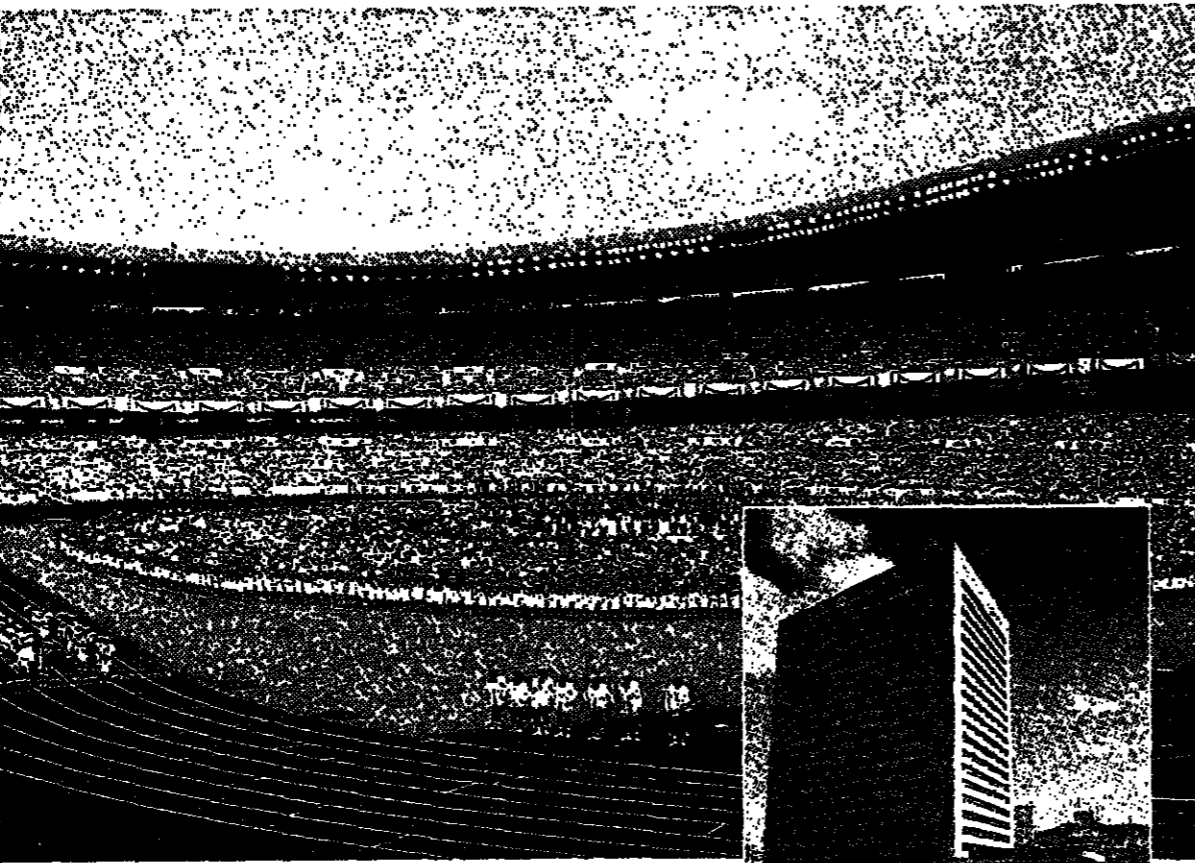
DIPLMACY in Seoul once involved little more than obedience to Washington and the ritual incantation of anti-communist slogans. The notion that South Korea had an independent role to play on the world stage would have been dismissed as absurd...

developed economies. At the same time, it is beginning to recognise the importance of playing a more constructive role in Asian-Pacific affairs. Domestically, attention has focused on the attempt to achieve more cordial relations with the communist world...

Seoul knows that it is well-placed to help developing countries. Recently, however, the momentum of Nordpolitik seemed to falter badly. Trade with Pyongyang, the Northern capital, totalled only about \$3m over the past six months...

in jail awaiting trial. Talk of a meeting between President Roh and Kim Il-Sung, the Northern leader, has come to nothing. The North, as one Western diplomat puts it, appears to have been "spinning the South along". This view is endorsed by Mr Park Jun Kyu, the chairman of the ruling Democratic Justice Party...

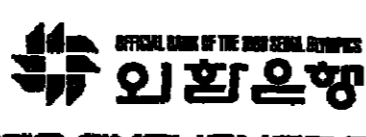
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Advertisement for Room 501 at The Seoul Plaza Hotel. Includes text about the hotel's amenities, location, and contact information. 'When Mr. Hubert is town, his friends know where to contact him. Things have changed since Mr. Hubert was first booked into the Plaza by a Korean friend seven years ago...'

SOUTH KOREA 3

Maggie Ford on moves to upgrade ties between Seoul and Pyongyang

Animosity clouds North-South debate

AS THE world looks forward to the end of the cold war and a new peaceful era, South Koreans have good reason to view international shifts in the balance of power with fear and trepidation.

On the last two occasions when major realignments have taken place - at the turn of the century and after the Second World War - Korea has been a major loser. For the first half of this century it was forced to endure colonisation by Japan, and after 1945 the nation was a victim of super-power rivalry, divided and torn by war.

But this time, as the world appears likely to shift again, Koreans hope they can look forward to a better fate. Their aim is a reunified nation, prosperous, peaceful and democratic. Nobody, however, underestimates the difficulties of attaining what many still believe to be an impossible dream.

The South Korean Government put the process in motion last year when President Roh Tae Woo announced his new policy of treating North Korea as a partner, not an enemy, and of opening relations with other Communist countries.

According to Mr Lee Hong Koo, the South's Unification Minister, the twin-track policy was based on the belief that if relations with Pyongyang improved, then so might links with its allies, while if contacts with the Soviet Union and China were stepped up, then this could have a good effect on North-South Korea relations.

One part of the policy, known as "Nordpolitik", has been successful. Diplomatic relations have been established with Hungary, a Soviet trade commissioner is now based in Seoul and talks are continuing with China, Poland, Yugoslavia and Bulgaria over setting up links.

South Korea, which until last year was perhaps the most anti-communist ideologically-based country in the world, has been flooded with visiting Communist sportsmen, Russian movies and orchestras and other cultural visitors from the Eastern bloc.

Visits by Koreans to formerly forbidden countries have boomed. Business links have been stepped up and trade, especially with China, has doubled in two years to \$3bn. So successful has been the policy that the Government has come under pressure from conservatives in the administration, concerned about the pace and level of contacts with what they have always regarded as the enemy.

Movement on the other track - opening links to North Korea - has been far less speedy and fraught with old animosities. A series of talks set up to discuss parliamentary



South and North Korean delegates at last year's Panmunjom talks, the first direct encounter between the countries since 1985

meetings was called off by the North Koreans in protest at the annual US military exercises, Team Spirit, held on the peninsula in March.

A visit to North Korea by Mr Chung Ju Yung, founder of the Hyundai group, produced initial agreement on a joint tourist development project, and raised Southern hopes of a breakthrough. They were later dashed when a dissident clergyman, the Rev Moon Ik Hwan, paid an unauthorised visit to Pyongyang, infuriating conservatives and spurring a temporary interruption of progress on the Government's policy.

The Government is now trying to build consensus on its reunification plans. Public hearings are to be held this month in the National Assembly, following complaints by Opposition leaders that contacts were being established by secret channels. The Foreign Ministry has announced the closure of several minor embassies abroad, set up when the two Koreas were engaged in competitive diplomacy, and free discussion of unification policy is allowed. The Government plans to introduce laws legalising contacts with the North under certain conditions.

Mr Moon was arrested under the National Security Law which proscribes connections with North Korea as an "anti-state organisation." Pyongyang has repeatedly called for the repeal of the law, as have Opposition leaders who charge it was used to persecute dissidents fighting for democracy.

North Korea has responded to the South's Nordpolitik by improving contacts with Japan, and by holding several diplomatic meetings in Peking with US representatives.

Senior South Korean officials say that, although they believe there are voices in the North Korean Government in favour of change, the regime is very strong after 40 years of stability and that a more flexible attitude may take some time. They take comfort from the liberalisation progressing in the

Soviet Union, China and several Eastern bloc countries in the belief that this will eventually affect Pyongyang's policy. The transition that South Korea is experiencing towards democracy is thought likely to be affecting the North's responsiveness. Officials believe that various outbreaks of unrest among students, workers and farmers may have persuaded the North not to negotiate but to wait and see, in the hope that the Southern Government will collapse.

"They suffer from the Vietnam syndrome," says one senior official. "I doubt that

they believe another war is possible, but they do see that of the four divided countries, only Vietnam has been reunified by the Communists."

Officials and Opposition leaders believe that a consolidation of democracy and public consensus on policy in the South is essential for reunification to move forward. For at present, the policy is a contradiction in terms.

One major social group, including the army, is primarily concerned with combating a military threat, while another, led by students, is demanding an immediate end

to the division and the withdrawal of US troops.

Seoul feels confident, however, that the outlook is positive. Military invasions are coming to an end worldwide, and a regional Asian community, officials say, is growing quickly offering South Korea the opportunity to share its economic success with other countries. As the end of the 20th century approaches, a nation which has struggled so hard to survive with its identity intact will dare to hope that the third change in the balance of power will be its lucky break.

Relations with the US

Bashing Uncle Sam

WHETHER South Koreans are hosting Olympic games, building ships, holding demonstrations, eating spicy cabbage called kimchi, or driving their cars, they tend not to do it in half measures.

At the moment, they are America-bashing. Conservatives openly display resentment of US military dominance and its central political role since the Korean war. They say the country has grown up and out of the old relationship. Radicals insist that the US was responsible for dividing Korea in 1945 and for a string of other crimes since.

No matter what goes wrong or has gone wrong in the past, fingers often point first at the US. Washington, a little punch-drunk and smug means that once again the US has become the whipping boy, has finally responded. Late in the day, it has adopted a policy to lower the American profile - not its military presence - in an effort to smooth a transition to what now has to be a new chapter in relations as Korea emerges as an economic power.

But with 44,000 US troops in the country and South Koreans, ambiguously, anxious to see them stay to help deter invasion from North Korea, the transition is proving emotional and traumatic. Koreans talk of their awakened sense of

nationalism and of their pride in what the country has achieved.

Only recently have they felt the confidence and had the power to control their future, after a century which started with colonial adventures trying to pry open what was then called the Hermit Kingdom, and continued with a brutal Japanese occupation, division after the Second World War and destruction five years later in the Korean war.

The US is often seen to have a kind of "imperial" presence, and Koreans want to expunge it. Washington's apparent cooperation with President Chun Doo Hwan's harsh military dictatorship, until "democratisation" began in 1987, fuelled the anti-American flames.

"The idea that we are a dominant player has not left Korea, and it has been very damaging to us," said one American observer.

That role has been called most into question over the infamous suppression of a civilian uprising in the city of Kwangju in 1980, in which nearly 200 civilians were shot dead by Korean soldiers sent by Mr Chun.

An American general had, and still has, operational control of 500,000 Korean troops deployed against North Korea, where Mr Howard Taft, the

from the border and used in the brutal suppression in Kwangju. Some Koreans say the US either acquiesced in the suppression of the rebellion or did not do enough to stop it.

In an unprecedented move, the State Department plans to release "detailed answers in reply to detailed questions" submitted by the opposition-controlled Korean National Assembly. The answers support the previous claim that the US commander in Korea had no power to prevent President Chun from mobilising the Korean troops, a US official says.

Kwangju is only the latest incident in a dotted history in which the US has not always acquitted itself well. High points include the sacrifice of 33,000 US lives in the liberation of the southern half of the peninsula in the Korean war, and the subsequent decades of aid that provided the building blocks for the country's current economic success.

Low points, according to the "revisionist" historians popular with students, go back to late-19th century American efforts to open the country to trade - all of which actually ended with the US retreating with a bloody nose - and an agreement in 1905 in Tokyo where Mr Howard Taft, the

Continued on Page 5

Break with past

Continued from Page 3

tions in the peninsula will almost certainly require a change of leadership in Pyongyang - and this is not on the cards. There is not even any hard evidence to indicate the existence of a more pragmatic and economically-minded group which might seek power once Kim Il-Sung's reign ends.

Yet there is no reason to judge the Nordpolitik policy solely by its success or failure in changing attitudes in Pyongyang. "We don't expect any linkage", says Dr Lee Hahn-Been, a former deputy prime minister and respected academic. "We pursue Nordpolitik because relations with China and the Soviet Union will be important for all Korea for generations to come," he adds. The fact that North Korea is not presently amenable to political or economic reform, he says, should not stand in the way of South Korea's drive to improve relations with the rest of the communist world.

The reluctance of either China or the Soviet Union to contemplate diplomatic as opposed to trading relations with South Korea illustrates the scale of the difficulties lying ahead. The consolation for President Roh is that even if the Nordpolitik strategy bears little political fruit, it could prove a winner in purely financial terms.

Commercial relations with Communist countries are already significant. Total trade was worth \$3.6bn last year, with China accounting for 85 per cent of the business. Yet if moves to embrace market forces take root in Eastern bloc countries, the opportunities for Korean businessmen could prove far more significant than now envisaged.

South Korea's relations with the non-communist world have enjoyed no such transformation. But an awareness of the need for change is growing. The Government recognises that it is uniquely well-placed to help many Third World countries accelerate their economic development. It will soon be a net creditor nation with money to burn and, perhaps more important, it has recent first-hand experience of

the problems of development. There is talk of establishing a US-style Peace Corps of young volunteers. To date, however, the rhetoric has not been matched by action. Official development assistance for poor countries is a miserly 0.07 per cent of GNP.

So far as the developed world is concerned, South Korea needs to move from a position of dependence to one of mutual respect and co-operation. In the economic sphere this transition is well under way. The fact that industrial countries are demanding so many concessions from Seoul demonstrates that they now regard their relationship with Korea increasingly as one of "symmetry and horizontal interdependence". In the 1990s, equality in the economic sphere is likely to be cemented by Korean membership of international bodies such as the Paris-based Organisation of Economic Co-operation and Development.

But in political terms, South Korea still has ground to make up. It is beginning to adopt a less isolationist stance in Asian affairs, but it does not yet play a role commensurate with its economic muscle.

Perhaps the most delicate task facing Korea remains the need to put its relationship with the US on a more adult footing. Mr Shin Doo-Byong, director general at the American Affairs Bureau, admits that his generation's sense of gratitude to the US is not shared by young people. Many of them resent both the scale of the US military presence in Seoul and Washington's heavy-handed efforts to prise open Korea's underdeveloped agricultural sector.

In the long run, South Korea, like Europe, must assume greater responsibility for its own defence; only then will a more mature relationship with the US be possible. But South Korea's ability to defend itself depends on the scale of communist bloc support for North Korea. In the last analysis, therefore, the success or failure of Nordpolitik will determine the pace of Seoul's diplomatic development.

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SOUTH KOREA 4

Michael Prowse on the tarnishing of Seoul's economic miracle

An economy experiencing growing pains

IT IS tempting to conclude that South Korea's economic miracle is over. The country's dazzling economic performance in recent years reflected the dynamism of its export industries. Export success in turn reflected the low level of wages, the diligence of the workforce and the weakness of the currency.

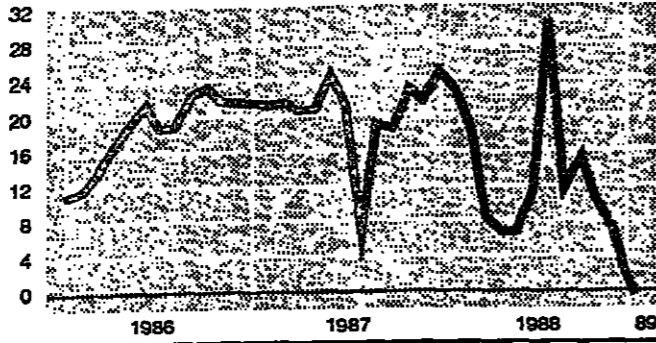
But all three of these advantages are fast disappearing. Wages have risen by around 20 per cent for each of the past three years. The won has appreciated by more than 30 per cent against the dollar since the end of 1985 - and by 16 per cent in 1988 alone. The first few months of this year were blighted by more than 500 labour disputes which resulted in a 2.6 trillion won (2 per cent of GNP) loss of production.

The volume of exports is expected to fall by 1 to 2 per cent in the first half of 1989 - the first decline in two decades. This is a sudden change of fortune for export industries. Export volumes rose by 23 per cent in 1987 and by nearly 15 per cent last year. The decline in export competitiveness, moreover, is coinciding with surging demand at home for increased public spending on welfare and infrastructure. Koreans want better housing, more regional spending, higher expenditure on health and pensions, and a more generous social security system - some of the trappings, in other words of a Western developed economy.

But a more elaborate welfare system will raise the ratio of tax to gross national product and impose higher social security contributions on both employees and employers. These changes, it is feared, could undermine work incentives and raise industrial costs. At the same time, the days when Korea could nurture domestic industries behind impenetrable import barriers are over. Seoul, under intense US pressure, is opening its

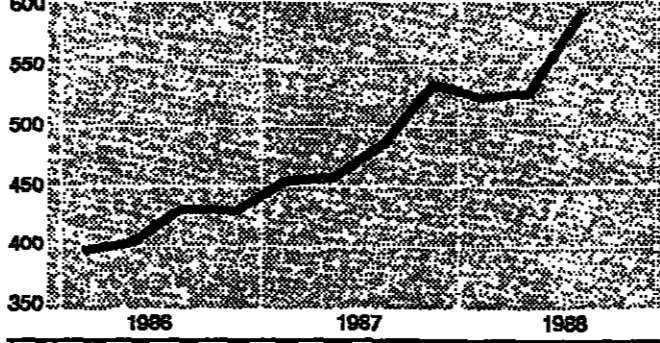
Industrial production

Year on year percentage change



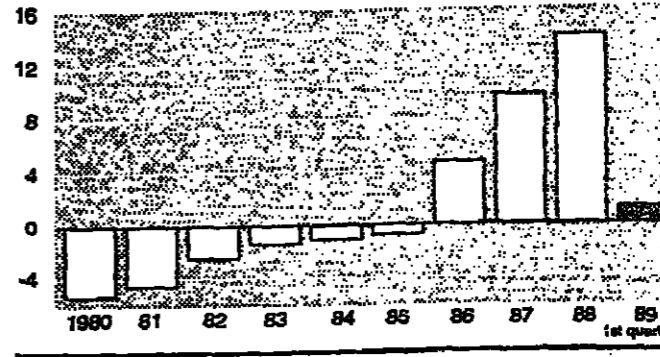
Average monthly earnings

Salaries and wages in cities (Thousand Won)



Current account balance

US \$ billion



ECONOMIC OUTLOOK

Table with 4 columns: 1986, 1987, 1988, 1989. Rows include Growth rate of real GDP (%), Current account balance (\$bn), Exports (\$bn), Imports (\$bn), Wholesale prices (%), and Consumers prices (%).

markets. No sectors are being spared, not even cosseted and backward agriculture. Japan, argue rueful Koreans, was permitted the luxury of free trade abroad and protectionism at home for a much longer phase of its economic development.

Yet while denied Japan's advantages, Korea is already experiencing decidedly Japanese constraints on growth. Escalating land and property prices have become one of the hottest topics of political debate. Upwardly mobile young Korean securities analysts are dismayed to find they cannot afford even modest apartments in Seoul. The pressures are not entirely surprising, only a small fraction of Korea's land is usable and the density of population is even greater than in Japan.

By the standards of most economies, the macro outlook certainly looks promising. Dr Kim Chongsoo, a senior fellow at the Korea Development Institute, expects GNP growth of about 8 per cent this year, despite the industrial disruption during the first half. Some economists are more pessimistic, but few anticipate growth of less than 6 or 7 per cent. Inflation remains a worry, in spite of the economy's loss of momentum. Last year consumer prices rose by 7 per cent, a disappointing result after three years in which increases were held below 3 per cent. The Government's target for 1989 is 5 per cent, but Dr Kim expects rises of 7 or 8 per cent. Tight monetary poli-

cies, which involve mandatory purchases of large quantities of monetary stabilisation bonds by the private sector, are only gradually countering cost pressures emanating from the labour and property markets. But the desired structural transformations of the economy are in train. Domestic consumption and investment are expected to rise by about 10 per cent and 15 per cent respectively, a sharp contrast with the sluggishness of exports. For the first time in decades, companies are finding themselves more reliant on home than export sales.

The shift towards home demand seems to be rapidly reducing the current account surplus - and thus helping to ease trade tensions. In the first quarter the surplus was a mere \$1.2bn on a balance of payments basis. Projections for the whole year depend significantly on the extent to which companies raise export prices in line with the stronger won. But the consensus view is that the surplus will be about \$3.5bn, large, but more acceptable to Korea's trading partners than the \$14.2bn surplus registered in 1988. The medium-term aim is to reduce the current account surplus to about 2 to 3 per cent of GNP. This means that domestic savings will exceed

domestic investment for the foreseeable future. Korea will thus be exporting capital to the rest of the world despite its modest per capita income and the likelihood that domestic returns on investment will exceed those available abroad.

Economists in Seoul see no paradox in this. Koreans do not wish to be beholden to foreign bankers. The big debts run up in the past are seen as a neces-

sary but unpleasant facet of development. The fact that Korea will soon be a net creditor, with overseas assets exceeding liabilities, is source of considerable local pride. The attempt to move towards higher value added industries is seen as crucial for Korea's economic future: countries like Thailand and Indonesia are already taking their place on the lower rungs of the development ladder. Samsung, one of the biggest conglomerates, is not atypical in devoting 50 per cent of its investment to high-tech industries. Overall, R & D expenditure has risen from 0.9 per cent of GNP in 1980 to 2 per cent today; the contribution from industry has risen eight-fold in real terms.

The final - and in some ways most significant - trans-

formation is the shift from central direction by bureaucrats to reliance on the price mechanism. Korea's past success, it is acknowledged, owed much to careful planning. But the near universal view is that the economy is now far too complex to be directed from the centre. Economic ministers seem genuine when they insist that the economy would be deregulated even if trading partners were not exerting pressure - the timetable, however, would be less demanding.

But problems remain. Dr B J Yang of Hyundai Investment Management points out that although ministers understand the theory of deregulation, "they don't understand real market mechanisms". There is a risk, therefore, that bungled implementation of reforms will

prevent market forces gaining the desired momentum. The Government's willingness to attack entrenched interests is uncertain. Real competition in Korea requires a reduction in the huge industrial power of the conglomerates; this is not on the horizon. A properly functioning market economy will also require effective tax and legal machinery: reforms are promised, but as yet the owners of property and financial assets neither declare their real names nor pay more than nominal tax.

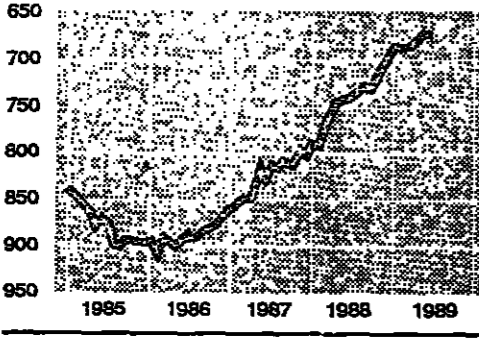
The economic challenges for Korean businessmen are the appreciating won and the reduced malleability of the workforce. The strong won is less problematic than it appears. Much of the recent appreciation merely compensates for excessive weakness of the won prior to the 1986 Plaza agreement. Provided the big projected cut in the current account surplus materialises, the US is likely to accept a slower future rate of appreciation than took place in 1986.

Industrial unrest is potentially much more serious. Japan, it is pointed out, took 15 years to achieve orderly and amicable industrial relations. The Koreans are still near the start of the learning curve. But they do learn fast. The odds are that an efficient, co-operative bargaining system will be in place by the early 1990s at the latest.

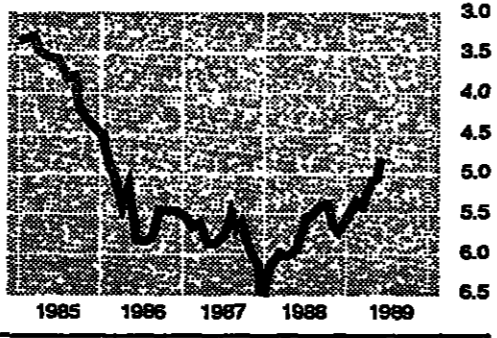
The outlook for the Korean economy thus remains bright. The question is not whether Korea will overtake the economies of Western Europe, but when.

The Korean Won

Won against Dollar

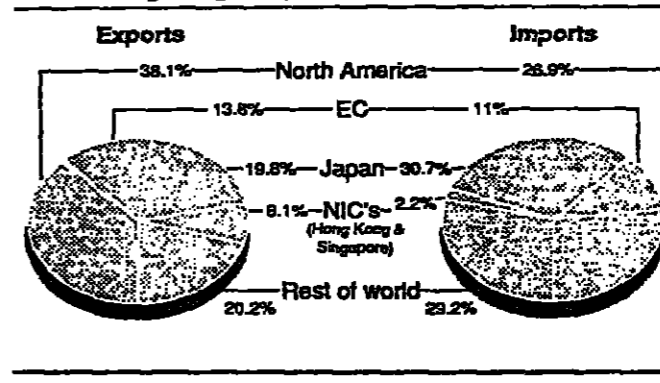


Won against Yen



TRADE Seoul dancing to US tunes

Trade by region, 1988



"I'm a committed free trader and internationalist," confided the editor of a leading Seoul newspaper, "but even I have found the pace of import liberalisation in the past three years almost unbelievable. Ordinary people simply do not understand the reasons for it."

The South Korean Government's willingness to offend public opinion at home - and even incur the wrath of politically powerful farmers - paid off handsomely last month. The US branded certain trading practices of Japan as unfair under the controversial Super 301 provisions of the 1988 Trade Act. But South Korea, unexpectedly, was given a clean bill of health. The decision is an important landmark in South Korea's campaign to clean up its image in the West - and avoid being regarded as a Japanese clone.

US relations are always a priority for Korea, but the successful conclusion of the Super 301 talks should allow officials to turn their minds to other important matters. An improvement in trade relations with the European Community is regarded as crucial as the 1992 Single Market campaign gathers pace. Fortress Europe fears are also reviving interest in the possibilities of an Asian trade association.

At the same time, Korea is striving to boost its trade with China, the Soviet Union and the reformist nations of Eastern Europe. The main rationale is political (to further the cause of reunification with North Korea), but Koreans are also positioning themselves to profit in the longer term should liberalisation programmes in the communist world amount to anything.

Import liberalisation began in earnest in Korea in January 1984, with the launching of a five year tariff reduction programme. By 1988 average tariffs were 18.1 per cent compared with 23.7 per cent in 1983. Last December, the National Assembly approved a

second five year programme aimed at reducing average tariff levels to 7.9 per cent by 1993, roughly the level of protection enjoyed in OECD countries. Average tariffs for agricultural products are to be reduced to 16.6 per cent.

Korea has also been steadily reducing the proportion of imports subject to quantitative restrictions. In 1983, 20 per cent of goods were restricted; by 1988, the ratio was down to 8.4 per cent. Early this year, the number of restricted items was reduced to 547, or 5.3 per cent of the total. Of these, a further 237 items are scheduled to be liberalised over the next two years. By 1991, only 254 agricultural and 10 industrial items (mainly silk products) will be unaffected. Regardless of external pressure, says Mr Han Seung-soo, the Trade Minister, another liberalisation package will be introduced in 1992 to tackle the remaining restrictions in agriculture.

This was the backdrop for the recent negotiations with the US, which focused on three main areas: restrictions on foreign investment; regulations and laws which favour Korean companies in the home market; and agriculture. The US claims to have achieved significant concessions on all three fronts. Bureaucratic case-by-case screening of investment appli-

cations is to be replaced by the simple notification procedures used in most developed countries. Various onerous inspection, labelling and testing requirements are to be waived - a move that has particular significance for foreign pharmaceutical companies.

In agriculture Korea has agreed to open its market to 70 out of some 140 products identified as priority items by the US. It is raising the orange juice quota from 9,000 to 15,000 metric tonnes and reducing tariffs on such sensitive items as almonds, raisins, avocados and cherries. Such concessions, however, are far less significant than the macroeconomic measures Korea has been taking to reduce trade friction. These include rapid won appreciation and a deliberate expansion of domestic demand. The results already look impressive: this year's current account surplus is likely to be 40 per cent lower than 1988's.

Korea is also beginning to diversify its export markets. In 1987, the US market accounted for 39 per cent of Korean exports. By the first quarter of 1988, the share had fallen to 32 per cent. A decline below 30 per cent is confidently anticipated. But the point emphasised in Seoul is that the key to reducing trade friction lies in eliminating Korea's long-standing

ing trade deficit with Japan. Fears about that deficit fuel the accumulation of surpluses elsewhere. A 40 per cent surge in exports reduced the deficit with Japan to about \$4bn last year - a big improvement on the preceding two years, when the annual shortfall exceeded \$8bn. Some economists are hopeful that if the momentum of exports can be maintained, the deficit might be turned into a surplus - perhaps as early as 1992.

Mr Chung Jinho of Prudential Sachs in Seoul points out that Korean companies are well placed to exploit the opportunities created by import liberalisation - because they know the market and understand the mentality of the Japanese better than their Western rivals. On the other hand, the Japanese are equally well placed to penetrate Korea's less protected markets: indeed the first quarter figures for 1989 reveal a narrowing in the gap between export and import growth and suggest the bilateral trade deficit is stabilising rather than continuing to decline.

Many officials recognise that Korea has tended to concentrate too heavily on the US and Japan and not pay sufficient attention to the EC, which offers a bigger market than their Western rivals. Mr Lee Soo-jung, the senior presidential spokesman, concedes that trade relations with the EC are "highly unsatisfactory". A flood of Korean imports between 1986 and 1988 whipped up protectionist sentiment and prompted a series of anti-dumping suits, eight of which remain unresolved.

European businessmen are not greatly impressed by Korea's liberalisation programmes. (A recent memo by the EEC Business Group in Seoul referred to "half-hearted liberalisation.") There are many hidden pitfalls. It is extremely

Advertisement for Tong Yang Securities Co., Ltd. featuring a drawing of farmers harvesting rice and text describing the company's services and contact information in Seoul, London, and New York.

Advertisement for Korea National Tourism Corporation featuring a photo of a man with a golf club and text promoting tourism in Korea.

SOUTH KOREA 5

Ray Bashford on plans to open up the financial markets

A decade of false dawns

THE NATIONS beating at South Korea's door for greater access to its markets were given reason for hope when President Roh Tae Woo endorsed a reform plan for the country's financial sector.

Although deliberately short on detail, the blueprint issued last December gave the firmest commitment so far made by a South Korean Government to a programme for the liberalisation of the nation's rigidly-controlled financial sector after a decade of false dawns.

The Government has set a deadline of 1992 for the free entry of foreigners into the country's securities market, a decision designed to jolt the banking and securities industries into a state of readiness to meet the international challenge that awaits.

Until then, the Government will continue steps towards the deregulation of interest rates and push ahead the establishment of the won as a fully convertible international currency to comply with International Monetary Fund rules - a symbol for the attainment of international economic maturity.

Interviews with leading Government and business officials leave no reason to doubt that the necessity for reform is acknowledged and under way. South Korea knows that it can no longer play outside international rules, using anti-financial systems, if it wishes to sustain the economic growth of the past decade.

Mr Lee Kyu-sung, Minister of Finance, says domestic, as well as foreign influences, are at work stirring reform of the financial sector.

"It is true that there are external pressures on us to open our economy. But there is also pressure from within Korea because we realise that our market is too small and that we should therefore open it up," he says.

However, it is hard to break the habits of a life-time, and South Koreans believe there is considerable room for manoeuvre and compromise before the 1992 deadline. Clear indications

The Government's blueprint gave the firmest commitment so far made to a policy for liberalising the rigidly-controlled financial sector

are that there remain long and hard negotiations ahead, despite the commitment to reform, come in the form of repeated demands for reciprocity with foreign governments and warnings that rapid change could carry adverse economic and political consequences.

"It should be stressed," a senior government official said, "that we have only

announced a schedule for reform and it is quite variable. If there is a sharp economic downturn or a change in the political climate we may not be able to open the financial markets to foreigners no matter how much we would like to. The principle is, however, that we do open the markets," he added.

There is an overriding concern that by opening the door to direct foreign investment in equities the government carries the risk of allowing relatively small South Korean groups to be swamped by outsiders. A wave of position-taking by US, European and Japanese houses would raise the possibility of a political backlash in a country where a sense of achievement through domestic endeavour is running high.

The Government has not given a ruling on the amount of foreign investment which will be allowed in the sector. But it is generally conceded that it should be between 20 and 40 per cent, to be reached gradually during the five years after the 1992 deadline with the issue of non-voting shares a possible pre-emptive step. In off the record comments,

senior figures in the industry express particular concern about the arrival of direct Japanese participation. In part, this is a hang-over of resentment from 36 years of Japanese colonial domination.

"We cannot discriminate if we chose to internationalise our market but there is no doubt that the main concern among Koreans is that the Japanese could grow to dominate our economy," a securities company executive said.

Mr H C Yang, the managing director of Dongsuh Securities, embraces liberalisation but expresses concern about the intentions of US groups. "If there is something to eat they will come quickly but also leave quickly when they feel like it," he said.

Concern about the lack of maturity and sophistication among Koreans is that the Japanese could expose South Korean companies to foreign dominance runs through all areas of government and business. Sheltered for so long by a government which has directly managed the industry through the central bank and the Ministry of Finance, the sector is operating without a broad range of financial instruments and techniques available in

countries with substantially smaller economies than South Korea's.

"This is still a centrally controlled economy with a splash of capitalism so Koreans have not had need to think about the real world of international finance," says a US banker who has lived in the country for several years.

Mr Kim, the Governor of the Bank of Korea, believes that liberalisation will accelerate the speed of modernisation. "Our people are open minded to internationalisation and we have to internationalise our banking system. This means getting more up-to-date techniques and teaching. So I would like to have more foreign banks here to teach local banks," he says.

Chipping losses through foreign exchange dealings at Kwangju Bank, based in the south west of the country, came as a warning of the perils ahead unless management and techniques are improved.

However, fundamental to the government's stated intention is the development of more independence within the banking sector. The five core national banks, which were theoretically turned over to

private ownership in the early 1980s, have in reality acted as tools for the Government's monetary and industrial policies.

Later last year the Government deregulated interest rates on lending and has plans to follow this with borrowing. But after a strong expansion in liquidity the Government has found it hard to let go of control and has intervened to force institutions to take up large-scale issues of monetary stabilisation bonds (MSB) at rates considerably above the bank lending rate of 11 per cent.

Dr Suh Jung Sun, director of the Daewoo Research Institute and one of a growing number of young foreign-educated economists who are calling for reform, sees the issue of MSBs as an indication of the Government's unwillingness to accept full interest rate liberalisation.

But the Minister of Finance says that the issues have been forced on the government by economic conditions and that concentrated efforts are being made to accelerate liberalisation of the lending policy.

The Government's policy of using banks as lending agen-

cies to fund government directed industrial development has left many with large doubtful or unrecoverable debts. It is difficult to quantify the size of these loans but even after considerable write-offs they represent at least 5 per cent of the assets of most of the banks.

To try and further reduce these black spots the Government has initiated debt-for-equity swap plans which form part of a broader strategy to strengthen the capital bases of banks through stock market equity issues.

Banks have been some of the

Concern about the lack of maturity which could expose local groups to foreign control runs through all areas of business and government

biggest callers on the equities market during the past three years of dramatic growth on the Seoul Stock Exchange. Securities firms have also made big rights issues in an attempt to strengthen their capital base and finance expanded services in the run up to 1992.

The domestic money market is in its infancy and a lack of

managerial experience hampers its tightly controlled operations. The Ministry of Finance has expressed an increasing willingness to allow companies to issue convertible Eurobonds, although the number of companies that have moved into the market remains small. Other instruments, such as bonded warrants, are being examined and call for them could increase as South Korean companies show an increasing desire to expand internationally through acquisition.

Locally-based foreign banks see a growing role for themselves in international mergers and acquisitions. Many of the 50-plus foreign banks have relied on foreign exchange dealing and letters of credit as the basis for their incomes. However, they claim that tighter control over the amount of funds they can swap into won has impaired their operations and that this forms part of a deliberate plan to narrow their base of activities and thus protect local banks from the full blast of foreign banks after 1992.

Such conjecture is bound to continue until the Government crosses the mass of grey surrounding the commitment to create a modernised financial sector able to accommodate demands into the next century.

Ray Bashford

Koreans point an accusing finger at Uncle Sam

Continued from Page 3
Secretary of War, agreed that the US would recognise Japanese control of Korea in return for a promise that Japan would not interfere with US interests in the Philippines.

Since last year, the 760-acre American base in the heart of Seoul has become a symbol of the anti-Americanism, attracting cries of "Yankee go home" but none of the "take me with you" often heard in the Philippines, where the US has played a central role since granting that country its independence.

Next year the US will return the base's 18-hole golf course to land-hungry Seoul, but the long delay in taking the decision seems to demonstrate how the US is sometimes unwittingly its own worst enemy.

"Most Americans have no idea how heavy they and the US come across," says Dr Horace Underwood, an American academic at Seoul's Yonsei University, which his grand-

father helped found. "Our way of thinking, and arguing especially, is not part of the East Asian culture, where there is more deference and fencing."

Another symbol of this insensitivity is the Armed Forces Korea Network, beamed to television sets across most of the country on the best VHF airwaves. Its mixture of American soap opera and jingoistic morale-boosting messages for the US forces is a heavy dose of Americana for a country trying to reassert its own nationalism and culture.

Koreans are free, of course, to ignore all this. But they don't - as the furor following NBC's TV coverage of an incident in the Olympic boxing ring last year showed. Enraged by a decision, disgusted Korean officials leapt into the ring and lunged punches at the referee. The sense of national shame that followed NBC's broadcast of the incident was nothing compared with the

intense anti-Americanism. As one American put it: "Here was Korea's arrival on the world stage, likened to Japan's entry at the 1964 Olympics in Tokyo, and the US was showing them up."

At times, Koreans appear to be playing both sides against the middle. The US should not interfere, but should have stopped Mr Chum at Kwangju; it should treat Korea as an equal, but beats the anti-American drum when the US demands the same access to Korean markets as Korea has in the US; and when Korea is demonstrating its maturity and arrival on the world stage, how could the US allow NBC to shame it?

Like the Philippines, which also emerged from beneath the American wing, Korea is approaching the transition more emotionally than the hard-nosed Washington policymakers. This is particularly true of Commerce Department

officials, who think Korea's 100m trade surplus with the US last year disqualifies Seoul from any soft-glove treatment, irrespective of any special relationship in the past.

So far, this emotion has only occasionally split over into violence. Radical students faced the office of the US Information Service, in Kwangju, to close and seek more secure premises after repeated fire-bomb attacks. And some US companies have had particularly bad experiences in labour disputes.

Since President Roh Te Woo was forced to start "democratisation" in June 1987, Koreans have entered a period of national catharsis after years of foreign invasion and suppression from their own military governments. The flowering of democracy, a surge in labour disputes and the anti-American backlash are each a part of this process.

However, more than some

other emerging countries, Korea is unlikely to be able to develop in isolation from the US. Everything, from the hugely successful Olympic games to the repeated international acclaim for their economic achievements, tells Koreans they have arrived on the world stage - yet the country exports a third of its products to the US, and relies on American forces as a deterrent against North Korea.

It remains to be seen whether Koreans will continue their vigorous America-bashing once they become confident they do not need the US as a deterrent. If they do, it could seriously jeopardise Washington's other role in the world - that of defending US interests in a corner of the world where the Soviet Union, Japan and China rub shoulders.

Richard Gourlay

Seoul dancing to US tunes

Continued from Page 4
difficult, for example, to buy land.

The latest of many gripes focuses on recent changes in tax law, which appear to have altered the definition of permanent establishments. The question being debated in Seoul and other Pacific Rim capitals is whether Asia should respond in some way. Various proposals have been put forward. Japan's Ministry of Trade and Industry has suggested a regular meeting of Asian-Pacific trade ministers. Mr Bob Hawke, the Australian Prime Minister, has proposed a Pacific version of the Paris-based Organisation for Economic Co-operation and Development.

The Australian plan is taken seriously in Seoul. Mr Han, the Trade Minister, agrees that consultation on trade matters would be useful because the region is becoming the "most dynamic area in the world". But he emphasises that any Asian trade association must

be "non-discriminatory and non-exclusive". Nobody, he says, wants a "Fortress Asia". Mr Han points out that the role of the Soviet Union and China in such a pact would require careful consideration.

In the shorter term, however, Korea must gird itself for further talks about import liberalisation. Under Gatt rules quantitative import restrictions, such as Korea still maintains in agriculture, can be justified on balance of payments grounds. But Korea's move into substantial and apparently permanent external surplus removes this convenient prop.

The US and other countries want Korea to accept that it no longer warrants special protection under Gatt rules. Korea's response will be a better test of its commitment to free trade than any number of concessions in the face of Super 301 blackmail.

Michael Prowse

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Seoul always exp

SOUTH KOREA 6

Ray Bashford on the buoyant optimism pervading the offices of securities firms

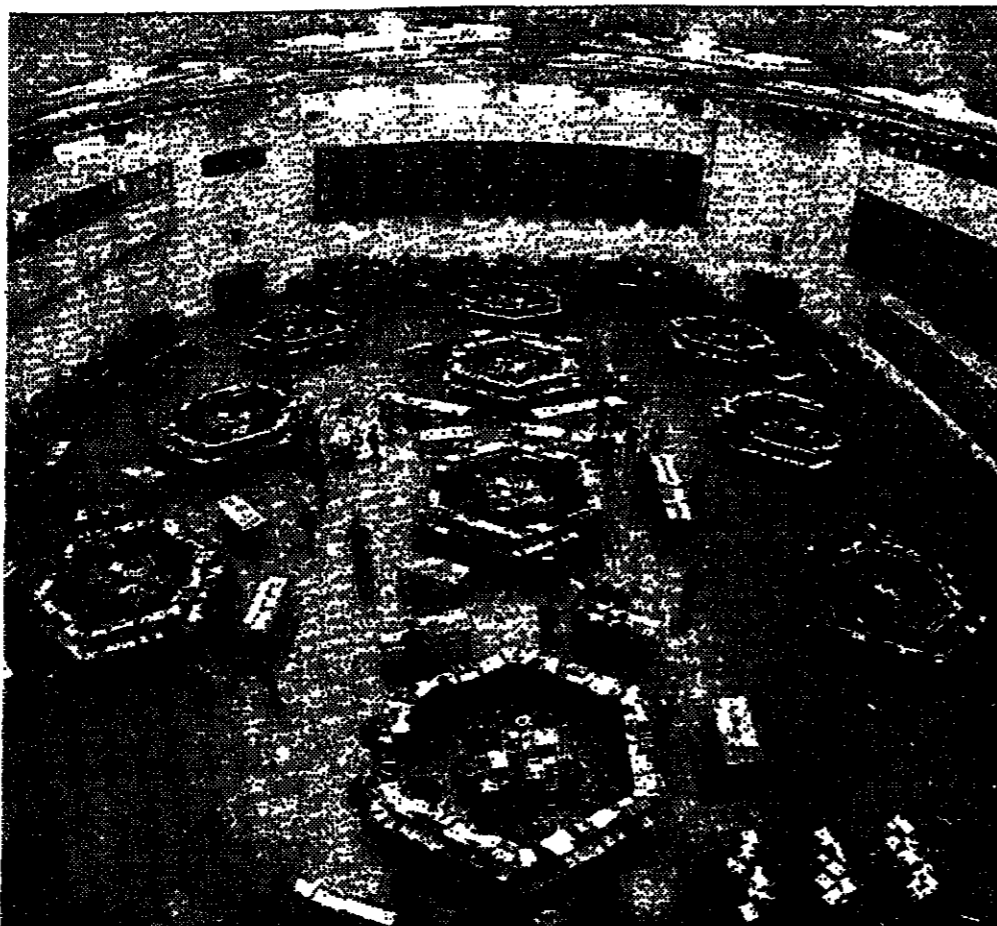
Market driven by sheer blind faith

THREE YEARS of gravity-defying growth on the South Korean stock market have made the nation's investors a rather confident lot.

So bullish have they become after a 10-fold increase in the market's capitalisation since the beginning of 1986 that the Government has felt compelled to issue mild warnings against rampant speculation.

The financial health warnings caution the nation's 7m investors against recklessness while projecting the Government's firm commitment to expansion of the equities market.

Investment in the Seoul Stock Exchange has become synonymous with easy and virtually risk-free cash generation. Stories abound of farmers who have sold their cattle and moved into equities, office secretaries who have become millionaires several times over and Seoul housewives who



Seoul Stock Exchange: Investment has become a near risk-free form of raising funds

The Government has felt compelled to issue mild warnings against rampant speculation

meet in fashionable hotels to plot their next financial killings. A British banker based in Seoul says the market is driven by blind faith. "Often the smaller investors know nothing about the companies they are buying shares in, and that can't be healthy if it continues."

However unsophisticated, this groundswell of support has helped provide the momentum that the Government has been seeking. With a capitalisation of around \$100bn, the market is larger than Hong Kong's and roughly the same size as Sweden's, while its growth during the past two years has dwarfed all major international exchanges.

But so far this year the market's tempo has quietened as concern about the nation's trade position, size of wage settlements and the Government's intervention to issue Monetary Stabilisation Bonds to drain out excess liquidity have put the brakes on the rate of growth.

The share prices of most blue chip stocks are down on the year and the Composite

Stock Price Index has edged back from the 1,000-point barrier which it threatened to break earlier this year.

"The market will improve later this year but for the moment we appear to be moving sideways in a consolidation phase while we await the outcome of economic and political developments," an executive at a leading Seoul securities firm says.

Foreign participation has been limited to indirect investment through five convertible bonds, two funds and seven unit trusts which has held overseas investment to about \$3m. However, so-called "hot money" has leaked into the market in increasing quantities in recent years with estimates widely varying on the size.

Korean securities firms expect a strong growth in convertible bonds in the run-up to

a withdrawal of controls on direct foreign investment. The conversion premium on the existing CBEs, some of which are over 100 per cent above the underlying share value, illustrates the foreign interest in participation.

The Government has overseen transformation of the stock market through a policy of promoting it as a primary source of capital for industrial expansion. This represents a major switch in the policy for industrial funding which has been in place since shortly after the end of the Korean war. For most of this post-war period the power to generate growth has been provided by international loans which were ploughed into industry via the central bank.

But from under the weight of massive foreign loans South Korea, during the past three years, has emerged with

mounting trading surpluses and will be a net creditor nation by the end of this year.

This dramatic turnaround boosted domestic liquidity and created a wave of speculative capital which led to strong inflationary pressures. Coupled with an average savings level of 35 per cent, liquidity has been further swelled by high wage settlements which are likely to average at least 20 per cent this year.

Mobilising these funds and directing them away from short-term speculative investments, such as property, and into alternative areas which would stimulate long-term economic growth became a priority for the Government. But soaring property prices in most parts of South Korea would indicate that this is not yet proving successful.

But until this programme began, South Korean compa-

nies had very narrow capital bases which made them ill-equipped to expand abroad and reliant on domestic commercial bank funding. This, the Government concluded, also weakened the banks and made them internationally uncompetitive.

The success of the plan to divert funding away from the direct and indirect responsibility of the Government and towards the corporate sector is easily demonstrated: last year 75 per cent of financing for the securities market was derived through equity offerings and corporate bonds, compared with 22 per cent in 1980 and 51.5 per cent in 1985, according to the Securities Supervisory Board.

As further evidence of how this excess liquidity has been harnessed, the amount raised through the issue of securities has increased from \$3.9bn in 1985 to \$16.4bn last year, with

The market's growth since 1987 has dwarfed all major world exchanges

clear indications emerging that this figure will grow substantially in the current 12 months.

The bulk of this growth has come through rights issues which last year contributed slightly over half of all funds raised. Corporate bond raising expanded sharply in the five years up to 1985 to reach \$3.5bn, but has levelled out to total \$5.4bn last year.

In an attempt to broaden the industry spread of listed companies away from the traditional mix of trading, commercial and banking, the Government has encouraged a programme of public offerings by a wide range of companies. As a result, there has been a rash of listings which by March this year increased the number of companies trading on the Seoul Stock Exchange to 512.

Many smaller and medium-sized companies are lined up to join the lists and it has been estimated by the Government that up to 900 will be traded by 1992. The privatisation programme which was launched last year with the flotation of Pohang Iron and Steel will accelerate during the next two years and will form a leading source of capital raising.

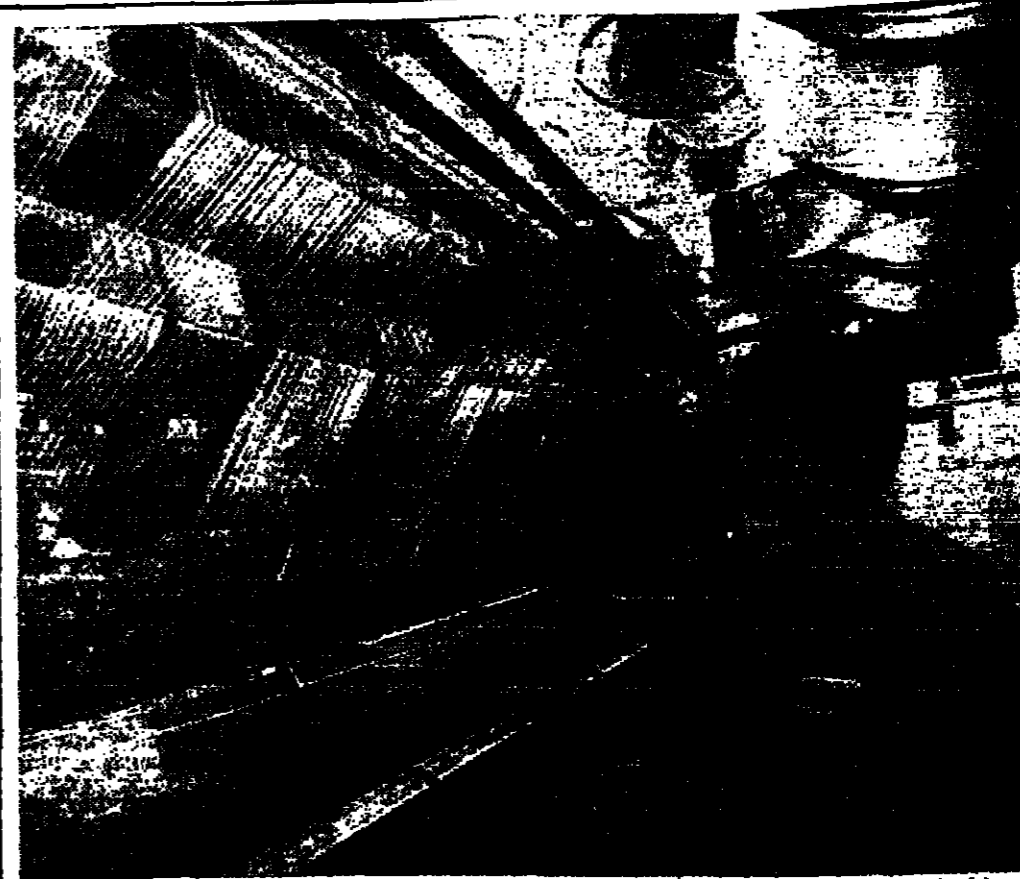
The disposal of substantial stakes in these government enterprises has caused an explosion in the number of shareholders. Slightly under 17 per cent of the population are shareholders compared with 2 per cent in 1985.

The nation's 25 securities firms have decided to take the share market to the people in the rural areas and have increased the number of branches they work through from 246 in 1985 to 494 in March this year.

A sense of overriding optimism pervades the offices of the leading firms about the future of the stock market, which trades at an average multiple of 12.9 times earnings compared with 5.3 three years ago.

However, executives admit that the slowdown this year has given rise to short-term caution.

It would be wrong to underestimate the sheer speculative nature of the Seoul Stock Exchange. However, the capacity of the economy to react to substantially higher wage levels while maintaining international competitiveness during the next two years will severely test the market's underlying strength.



Textile plant near Pusan. Until 1988 textiles was South Korea's largest export

PRIVATISATION

Private sector's success seen as model to match

SOUTH Korea's creaky state enterprises are being radically reformed to improve performance and mirror the efficiency of the private sector. The plan, which the Government aims to substantially complete during the next three years through privatisation and an easing of bureaucratic interference, forms part of a broader industrial liberalisation plan.

Mr Jin Moo Lee, the deputy governor of the Securities Supervisory Board, also views the \$8m privatisation plan as a means of achieving a more equitable distribution of wealth throughout the population.

"We are stimulating growth through the stock market and creating a fairer distribution of wealth like Mrs Margaret Thatcher in some ways," he says.

State enterprises have played a pivotal role in South Korea's development over the past 30 years. Successive governments took the view that growth could only be achieved through a tightly centralised industrial policy during a period of relatively limited capital and managerial resources.

Infant private sector enterprises were also subject to direct government interference and the hang-over of this policy can still be seen throughout South Korean industry, although the Government is committed to reducing its involvement.

During the 1960s and 1970s, when the Government was reliant on foreign loans, there was an immense growth in the number of state enterprises. This policy was also guided by the desire of the government to retain control over industries deemed to be of strategic importance.

Direct control from Seoul was placed over large slices of the telecommunications, iron and steel and oil industries and the banking sector through the creation of state-owned enterprises which operated as guiding forces in the overall development of the industries.

The decision to partially roll-back the level of government participation, which was announced in 1987, has largely been the result of the market success of the private sector. The leaps forward which have

been made by the private sector during the past decade to give South Korea an increasingly important international industrial presence have highlighted the inefficiency of state-run enterprises.

In a recent report, South Korea's Economic Planning Board stated: "Since the private sector now has both capital and managerial experience and since public enterprises have experienced difficulties adapting to the rapidly changing business environment, it is necessary to re-evaluate and restructure the role of public enterprises in the economy."

The privatisation programme, calls for the sale of 11

'It is necessary to restructure the role of public enterprises'

enterprises. By far the bulk of this money is being raised through public issues on the stock exchange, although some smaller businesses are being sold directly to private enterprises.

The sales are expected to be completed by 1991 and include Pohang Iron and Steel, which came to the market last May, Korea Electric Power, Korea Exchange Bank, Korea Monopoly Commission, the tobacco and gaming marketing group, and Korea Telecommunication Authority. However, in each case these sales will fall well short of full privatisation, indicating in part a continued reluctance of the Government to let go of all the strings.

The Economic Planning Board says that the Government will retain at least 50 per cent of the capital because of their "importance" to the economy. Indications have been given that the government ownership levels will be further reduced but no timing for further sales is available.

The Government took an important step in the plan for accelerated privatisation when 38.4 per cent of Pohang Iron and Steel (Poco), in which it held a 71.4 per cent stake, was sold off to the public to raise \$621m.

As the first large divestiture

the Government was highly sensitive to some criticism of the overall plan. Opponents felt the sale left the way open for existing powerful houses to gain entry into another industry. In order to counter this criticism the Government broadened the ownership in Poco by positively discriminating in favour of the less wealthy and set aside 75 per cent of so-called "people's shares" for lower-income earners. At the same time, a law was passed which limited the voting right of any individual or group to 5 per cent of the shares on issue.

However, there are widespread allegations of manipulation in the run-up to the issue and during the first few months of trading by major investors, the so-called "big hands".

The shares were deliberately undervalued at won 15,000 (\$25) because, according to the Government, "it (the issue) could give shareholders more direct financial gains." The shares opened trading at won 33,000 but in three months fell to a low of won 26,200 as a wave of selling hit stock.

The policy of encouraging smaller shareholders into the market appears to have been negated in this case because the number of people holding Poco stock has tumbled from 3.2m at the time of the issue to about 1.5m.

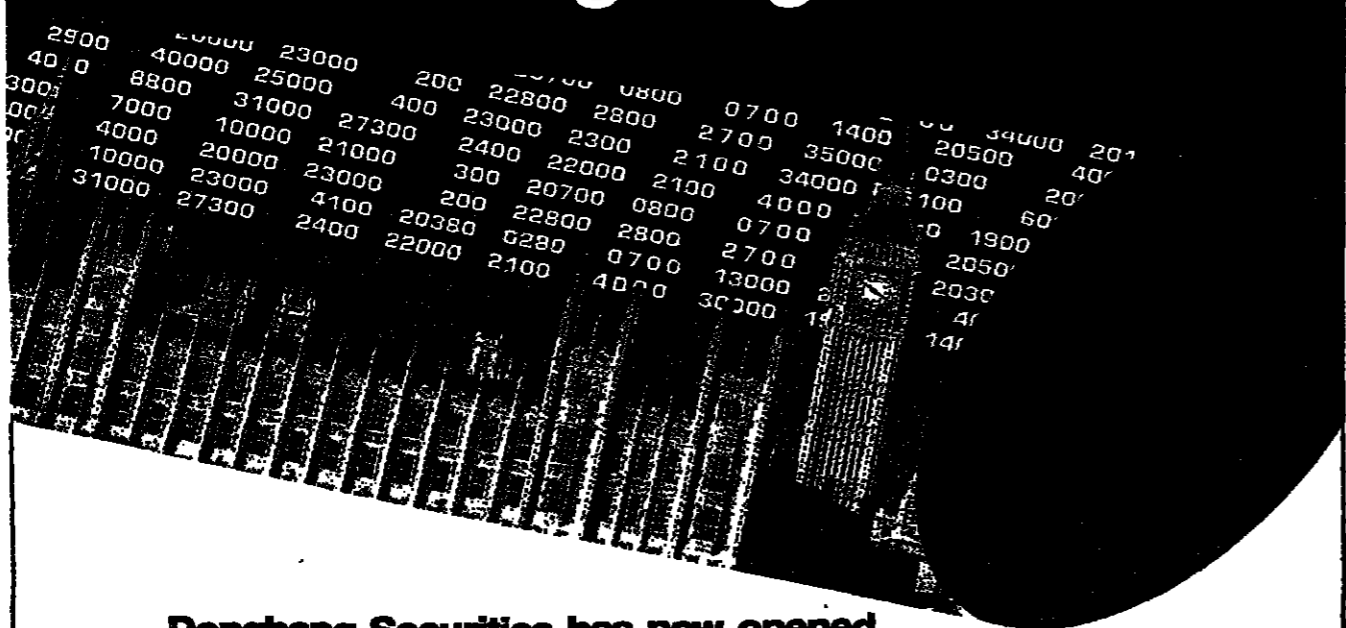
In the wake of the trouble created by this erratic market performance the Government has instituted a plan which would provide financial incentives for people to retain their privatised shares for at least three years.

The success of these measures will be tested strongly later this year when the first phases of the two biggest sell-offs begin - Korean Electric Power and Korea Telecommunications Authority with a combined worth of about \$5m.

However, for a country known more for duplication than innovation, South Korea can lay claim to a unique privatisation. Earlier this year, it "privatised" the Seoul Stock Exchange, without of course listing it. The price? About \$100m paid out by the nation's captive securities companies.

Ray Bashford

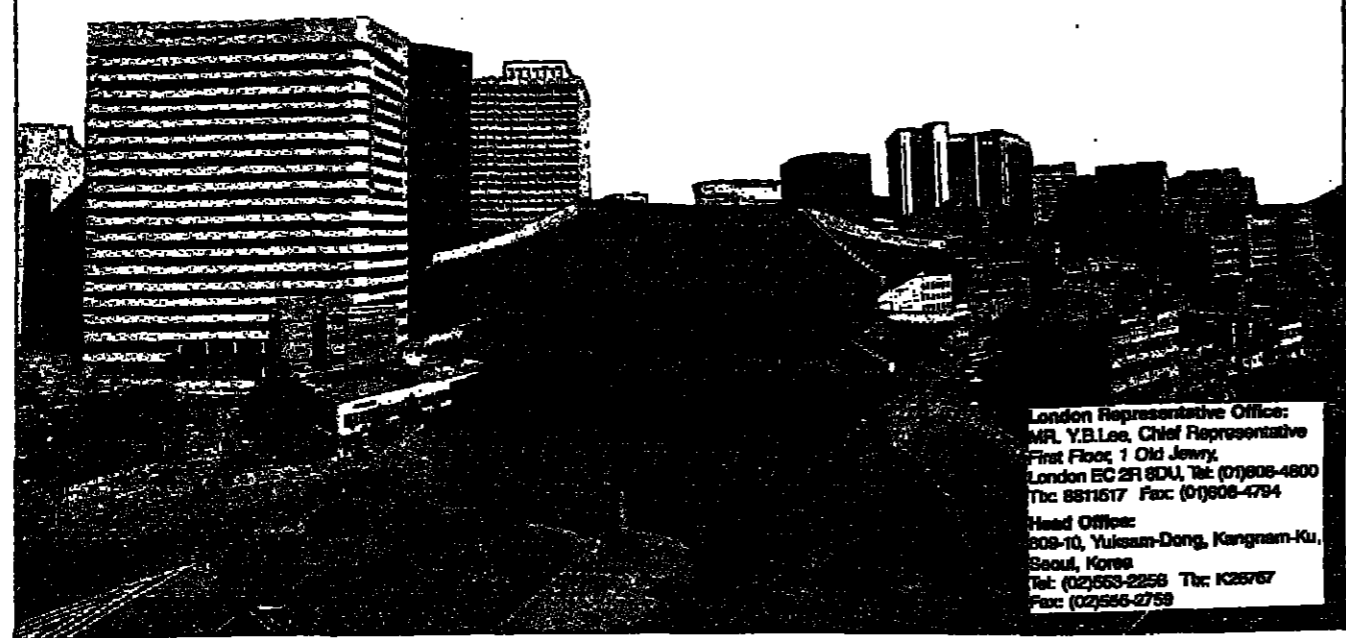
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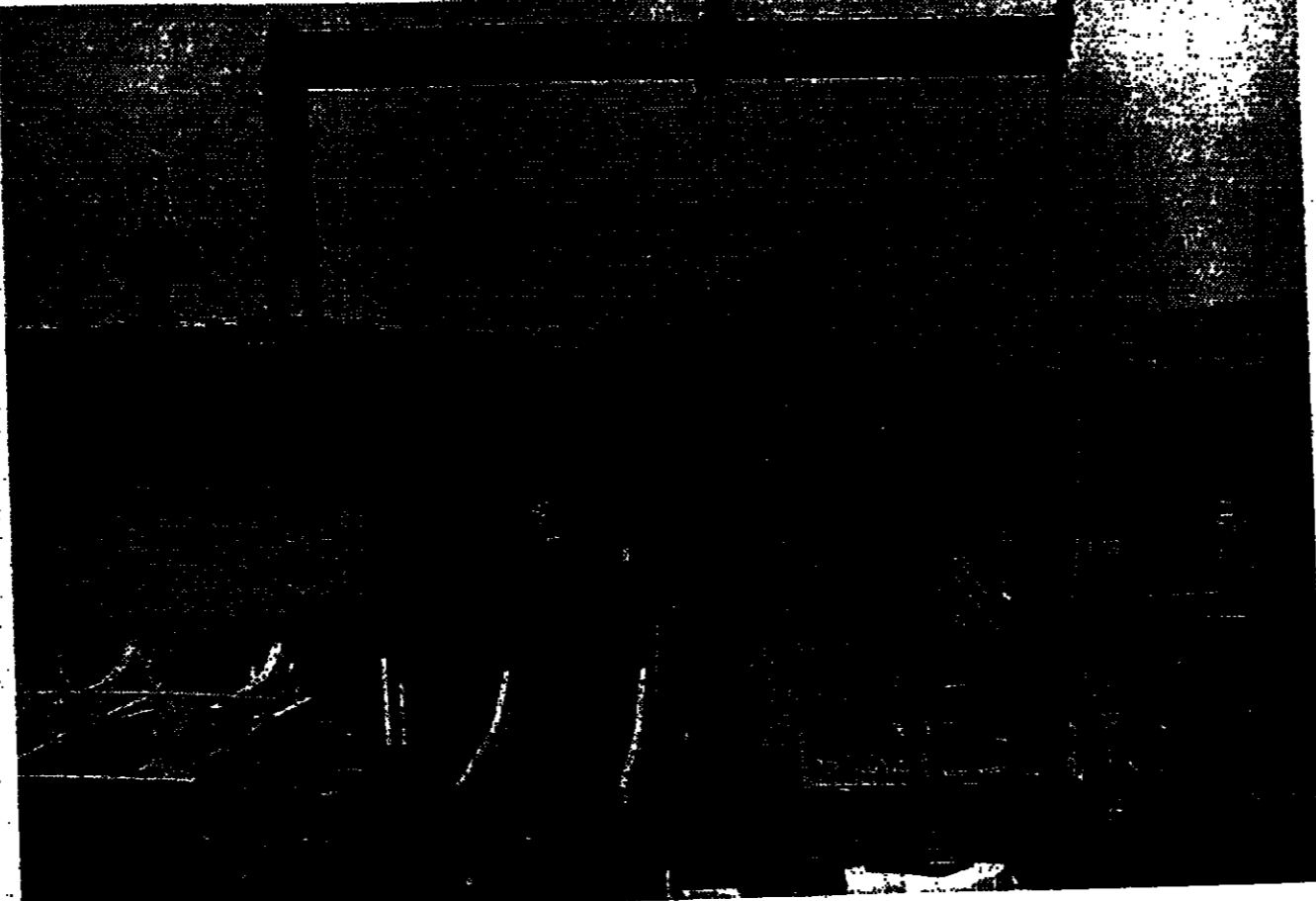
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The shipping sector highlights the changes affecting the entire basis of industry, writes Maggie Ford

An industry sailing too close to the wind



Staying afloat: Hyundai shipyard at Ulsan. The company secured Government help in trying to end a damaging two-month strike

FEW COMPANIES, faced with a surge in industry-wide debts of shipbuilding, would have any doubts. They would admit defeat, but their teeth over the unemployment costs, close down the companies and get on with investing in micro-chips or biotechnology.

South Korea, however, has no intention of giving up shipbuilding, even though its three main companies are in severe difficulties following both a prolonged worldwide shipping slump and a sharp rise in domestic costs.

Some of the reasons why the Seoul Government is prepared to help an ailing industry that many felt it should not have encouraged in the first place will be immediately recognisable to Western industrialists.

But others highlight the fundamental changes affecting the whole basis of South Korean industry, along with the links between companies, banks and the Government. A new mood is developing over how these connections should be handled as the country moves from a military-backed, dirigiste economy into an era of democracy and liberalisation.

As it diversifies its trading

The three main shipping companies are heavily indebted

Links in a more protectionist world, South Korea is already having difficulty answering complaints from the European Community and the US relating to government aid for industry. In almost all sectors, from ships to textiles to electronics to motor cars, the country's industrial structure is under scrutiny.

The present crisis for South Korea's three main shipbuilders illustrates several aspects of a system which many businessmen inside the country also now believe is out of date, inappropriate in the new political climate and often inefficient.

The shipbuilding crisis has arisen for two reasons - one related to the country's economic success and subsequent move towards democracy, the other resulting from the actions of various international shipping companies, which have benefited from changes in market forces.

All three of South Korea's main shipbuilders, Hyundai Heavy Industries (HHI), Daewoo Shipbuilding and Heavy Machinery (DSHM) and Korea Shipbuilding and Engineering Corporation (KSEC) are

heavily indebted.

All have thousands of workers engaged in building ships which will not be profitable. But only the Hyundai subsidiary can depend on sufficient resources from sister companies to remain afloat until the expected upturn in world shipping arrives. The fate of the other two is now in the hands of the Seoul Government.

The decision to close the shipbuilding industry is the heart of the debate in "Korea Inc", the policy under which planners mobilised resources and fine-tuned the economy to promote fast development. Design banks, used by KSEC, an independent company, but whose shares the Daewoo subsidiary owns, the loans on the assets they were an asset guarantee by the Government.

South Korea's industrial structure, a substantial corporate bankruptcy, except for political reasons, but best political winding up indebted companies and redistributing assets, are now coming under sustained criticism as the country moves towards democracy.

A number of former owners whose companies have been "reorganised" are now suing for the return of their assets, charging corruption and favouritism, and in some cases workers are on strike demanding that original bosses be reinstated. Political considerations such as the strength of the opposition parties, which have a majority in the National Assembly, must also be taken into consideration.

Faced with decisions which could set a precedent for the future style of the whole industrial system, the Government has so far responded with extreme caution, taking more than 18 months to start dealing with the problems of KSEC, the first company to ask for help.

The difficulties at KSEC mainly result from the refusal two years ago by Norwegian ship managers to take delivery and pay for six vessels because of faulty hatch covers. The company was placed under a court order in April 1987 and all debts and interest payments were frozen.

Since then, negotiations with the Norwegians have ended, with KSEC agreeing to a 50m discount per vessel, but a further dispute arose over money

pumped into the company by local banks to allow it to complete this and other contracts.

The Bank of Seoul, KSEC's banker, came to a resolution of the problem last month by putting the company up for auction. The winning bidder was the Hanjin group, owners of Korean Air, which is to pay won 80m to take over the shipyard. Unsecured creditors, including the foreign banks, will have to wait nearly 18 years for their money under a debt rescheduling agreement.

Ironically, if KSEC were to give up shipbuilding, it would be an attractive company. The shipyard sits on prime residential building land whose value is listed on the company's books at won 100m, but which is worth at least won 300m, an amount which would almost clear the debt.

But 120,000 people are esti-

mated to depend on KSEC for their livelihood and the yard is in the home area of a key Opposition leader, Mr Kim Young Sam, who along with the Government, is under strong pressure not to allow closure.

At the same time, KSEC is regarded as a competent company, skilled in specialised areas and capable of taking advantage of an improvement in the world shipbuilding industry. It is not difficult to see why a decision on its future took so long.

The problems at Daewoo Shipbuilding and Heavy Machinery (DSHM) are even more complex. This shipbuilder is a subsidiary of the Daewoo Group, South Korea's fourth largest diversified chaebol or conglomerate. Apart from shipbuilding, Daewoo is involved in a huge range of

businesses, including cars, electronics and telecommunications, defence equipment and heavy machinery, finance and trading.

Like most chaebols, Daewoo has stayed in business, though exceptionally heavily geared, by financing loss-making subsidiaries with cash flow generated by profitable ones. It has had perhaps the closest relationship of all the groups with past governments and is regarded as having had the worst labour relations.

Thus, when demands for democracy caused nationwide strikes in the past two years, Daewoo was hit hard. Long, acrimonious and violent strikes, at the shipyard in particular, forced the management to grant pay rises of 20 per cent two years in a row.

In the meantime, debts of won 1.4 trillion (\$2m) were

draining the company to the tune of won 300m a day in servicing costs. Mr Kim Woo Chong, chairman of the Daewoo Group, eventually approached the Government for help, arguing that at least part of the problem was the Government's fault.

Under a reorganisation plan of the type which is now attracting strong criticism, Daewoo took over the shipyard in 1979 from an indebted state-owned company. It was given help by the Government at the time in the form of deferment of the original company's debt and proceeded to develop substantial business.

Unfortunately, many orders were taken at prices which are now uneconomic due to the rise in labour costs and the 25 per cent appreciation in the South Korean currency in the past 18 months. DSHM is still

owed money by US Lines, the American shipping company which went bankrupt in 1985.

The Government, mindful of the political impossibility of giving more favours to failing companies in today's more democratic climate, has indicated that it expects Daewoo to contribute to a rescue plan by selling off profitable subsidiaries, including a chemical company, a short-term finance firm and the Daewoo headquarters building, raising won 250m. The chairman of the group was asked to raise a further won 150m by selling his personal stake in Daewoo Securities, the country's top securities firm.

For its part, the Government would reschedule loans to the state-owned Korea Development Bank of won 250m, provide an additional loan of won 150m and various other incentives. At the end of three years DSHM would be merged with Daewoo Heavy Industries, a profitable subsidiary.

Although Daewoo's initial response to the harsh terms was predictably angry, government officials say that they are satisfied with its efforts so far to reorganise management at the shipyard.

In devising the rescue plan, the Government was aware that if the shipbuilding subsidiary was not propped up, the entire Daewoo group could be in danger. Unlike the other conglomerates, none of the company's businesses is doing well enough to support a loss-maker on the scale of DSHM.

The contrast between Daewoo's attempts to solve its problems and the approach of Hyundai Heavy Industries could not be greater. HHI, part of the Hyundai Group, which is in far better overall financial condition than Daewoo, also caused by labour costs and currency appreciation, in a more independent way.

An effort has been made to renegotiate contracts with world wide shippers of Hong Kong, owned by Sir Y.K. Pao, and the company has engaged in a long argument over compensation with a Norwegian buyer over a vessel which is said to suffer from the same problems as the KSEC ships.

Hyundai has suffered a substantial amount of adverse international publicity as a result of its independent

stance, especially following the issue of a London court order restraining a subsidiary's assets. Company officials now say, however, that negotiations on both issues are likely to be successful.

But Hyundai's efforts to end persistent labour disputes at its shipyard have caused further problems. The company secured Government help in trying to end a two-month strike at the yard caused by a violent attack on more than 20 union leaders by a group of hired thugs.

More than 14,000 riot police conducted a military-style raid on the yard, but found few workers. The raid raised tensions and the company was eventually forced to send a large team of executives to the plant after a strong government warning that the strike was causing a national crisis. Peace has now been restored, albeit temporarily.

Providing it is able to develop more harmonious labour relations, Hyundai remains in a good position to take advantage of a world upturn in the shipping industry. Its managers claim to see an improvement in prof-

In almost all sectors, the industrial structure is under close scrutiny

itable orders, and recently secured a \$270m order from the Soviet Union.

South Korean shipbuilders are now in second place behind Japan with 17 per cent of the world market. If the expected upturn arrives on schedule in the next two years, and lasts through the 1990s, they will be well placed to benefit. Had the movement for democratic change not broken out last year, wages would not have risen so fast and both Daewoo and Hyundai could probably have bridged the gap.

But they have also been victims of the overall economic success of the "Korea Inc" policy, which has caused the pressure from abroad for the appreciation of the currency to reduce trade surpluses. And at least part of their underlying problems are caused by the distortions that the policy has built up over the years.

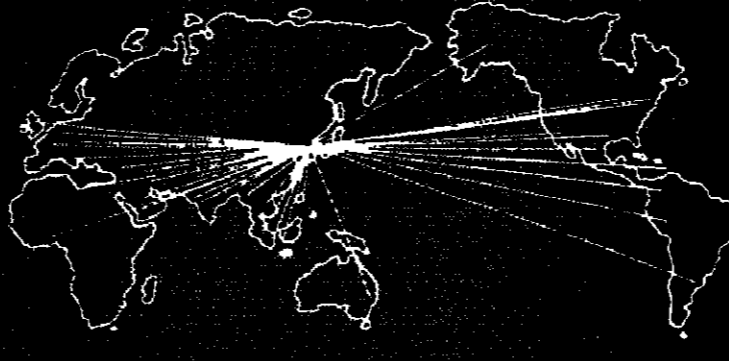
Correcting these distortions, which affect the whole economy, while maintaining the momentum that has produced the world's highest growth rate, is South Korea's challenge for the next decade.

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SOUTH KOREA 8

Rising home car sales are sustaining the sector's growth, writes Richard Gourlay

Buoyed by a slice of good fortune

AN EXAMPLE of the good fortune that occasionally shines on South Korea is that at a time when the big car makers need to consolidate rapid export growth and overseas production, wage increases at home have boosted domestic sales beyond the industry's wildest dreams.

After two years in which exports doubled, the spotlight on South Korea's quicksilver auto industry is shifting to the domestic market. Car manufacturers have told the Ministry of Trade they expect domestic sales of cars and commercial vehicles to rise 60 per cent this year, surpassing exports for the first time. At the same time, the industry is braced for the arrival of Daewoo Motors into potentially the largest untapped market sector.

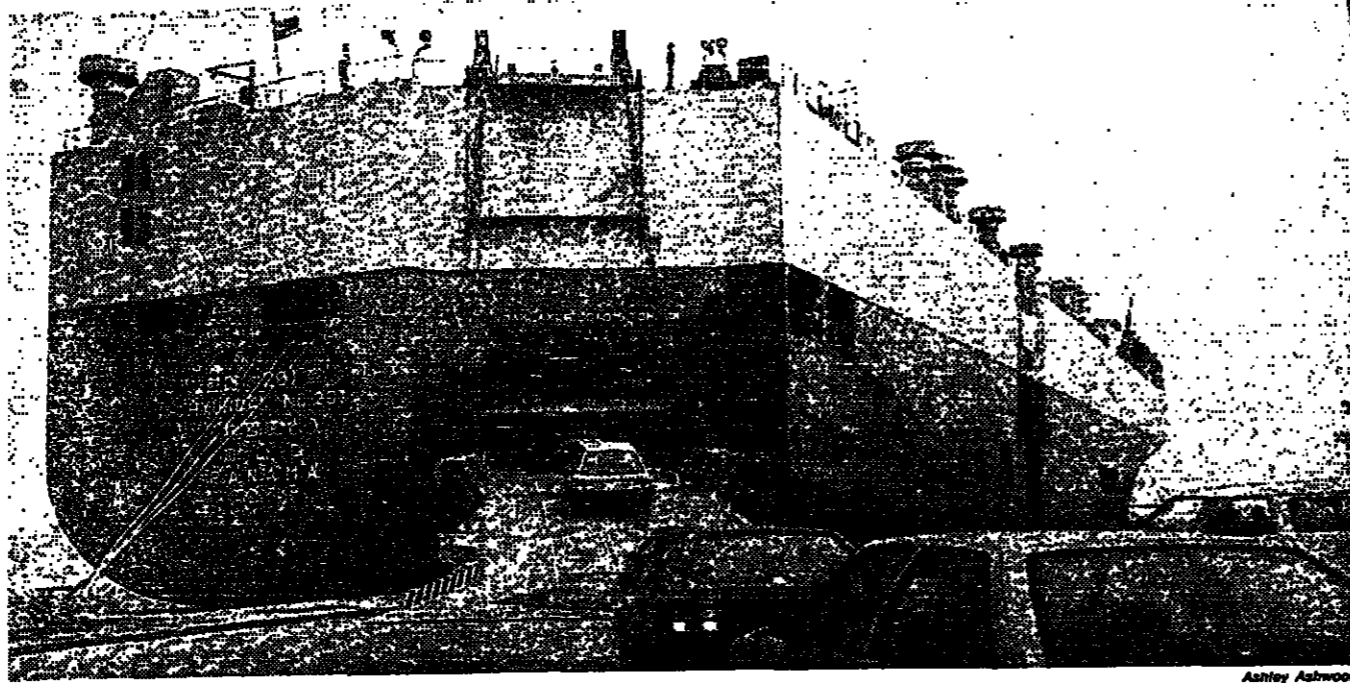
Last June Suzuki of Japan and the Daewoo Group agreed to make a cheap, 800 cc "people's car", aimed at the rapidly filling working-class pocket. Daewoo hopes sales will reach 120,000 in 1991.

No matter that Seoul's roads will become increasingly clogged, the big three - Hyundai Motor Corp, Kia Motors and Daewoo Motor - look set to continue pushing for more of the economies of scale on which the industry's phenomenal growth has been based.

Last year South Korea imported only 487 cars, a matter of some embarrassment to Ministry of Trade officials

Domestic car sales last year rose 14 per cent to 477,000 units but are expected to jump a further 40 per cent in 1989 to 670,000, marking the first time in the industry's short history that home sales have exceeded exports.

Hyundai Motor, the biggest and least dependant on foreign-technology of the big three auto makers, is still the overwhelming leader, controlling 50 per cent, compared with Kia's 28 per cent and Daewoo's 20 per cent. Hyundai's hold of the export market is even greater at 70 per cent compared with Daewoo's 16 per cent and relative newcomer



Outward bound: Hyundai Excels ready for shipping to the US, which absorbs 90 per cent of South Korea car exports

Kia's 14 per cent.

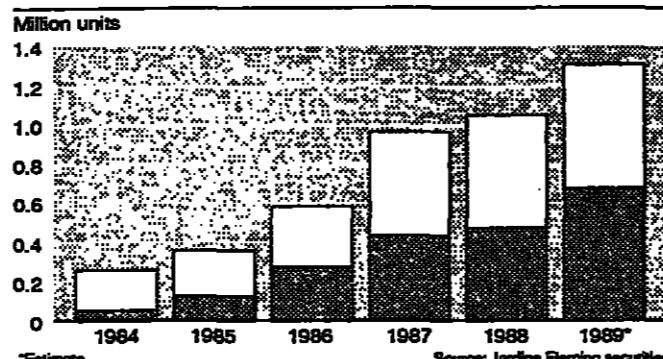
Hyundai expects to increase its domestic sales by 60 per cent this year but it fears labour disputes at parts suppliers will leave it short of its export target of 380,000, already 7 per cent lower than last year's shipments because of production from a new plant in Quebec, Canada.

The domestic boom has arrived at just the right time for all makers. They face a loss of competitiveness following the more than 20 per cent appreciation of the won since 1987, wages increases of more than 40 per cent over the same period and increasingly protectionist noises from the main US market.

Exports are unlikely to see the same growth, analysts say. "Hyundai had almost too successful an entry into the US so it had to do something dramatic like set up the Canadian operation," says Mr Lim Sung-Kenn of Jardine Fleming Securities in Seoul. "Hyundai had become so visible and a target for US protectionism."

The Sonata, a 1.8-2.4 litre multipoint fuel injection saloon, started rolling off the lines late this spring in Canada. Because of testing problems, according to industry sources, production is likely to

Sales of Korean automobiles



reach only 25,000 this year, or a quarter of the plant's capacity when it is fully operational.

Although the company says it is interested only in the Canadian market at the moment, it has the larger US market in mind.

This market still takes more than 90 per cent of all Korean car exports and is likely to remain dominant long after Hyundai starts marketing its highly successful Excel in Europe this summer.

Hyundai, more than the other producers, appears to have the technology and wage structure to consolidate a niche in the world market. "We

will never produce a Rolls-Royce or a Mercedes-Benz or even a Toyota but in terms of quality we can be near the top on the smaller cars," says Mr Chung Hoon-Mok, president of Hyundai Engineering and Construction and one of the group's strategic planners.

Though Hyundai Motor now produces its own indigenous models, it could not have achieved what it has without the technological help of Mitsubishi Motors and Mitsubishi Corp, which each hold 7.5 per cent of Hyundai.

Korea's other producers are less well positioned. Daewoo and Kia are far more dependant on their partners for design and production technology. Daewoo - a 50/50 joint venture with General Motors - has adopted GM's Opel Kadett model for its 1.5 litre Le Mans saloon while Kia, in which Ford has 10 per cent, Mazda 8 per cent and Chon 2 per cent, uses Mazda's subcompact designs. This collaboration on model design poses difficulties should the Korean companies try to expand too quickly into their partners' markets.

Hyundai is confident its motor operations, already the flagship of the group, can remain a cash cow despite the large increases in wages and the appreciation of the won. Although it lost only 25 days in strikes in 1988, its parts suppliers have become less reliable. Hyundai can no longer operate just-in-time stock control and on the quay at its huge plant in Ulsan thousands of almost finished cars gather a reddish dust as they await final parts before shipment. However, Hyundai plans to invest heavily to raise what have been below world industry levels of productivity and automation.

Across the industry Korean car makers plan to invest nearly \$10bn over the next four years on automation, new facilities and research, according to the Ministry of Trade and Industry. With this kind of

investment by existing manufacturers it seems unlikely any new players will join the big three when the Government lifts restrictions on the number of producers in July.

The expected growth in the domestic market coincides with a removal of the remaining restrictions on foreign car imports from April this year. Duties are also to be cut from 25 to 10 per cent in four years.

But the dent that foreign car companies are likely to make in the Korean market, although growing, is unlikely to be great.

Last year Korea imported only 487 foreign cars and it is a matter of some embarrassment to MTI officials, who are well aware of American protectionist sentiment, that of the 465 cars imported this year, most were made in Europe.

While the appreciation of the won by 15 per cent last

WHERE but in South Korea could the electronics industry's 28 per cent growth rate be considered worrying? Yet when exports of consumer equipment, including the key VCRs and colour TVs, grew "only" this amount in 1988 after more than doubling two years ago and adding 57 per cent in 1987, it confirmed the industry's fears.

Electronics, which moved ahead of textiles in 1988 as South Korea's largest export, was under attack from an appreciating currency, wage rate rises and increases in protectionism in the US and Europe. Thus, it would have to step up the pace at which it was changing tack.

Industry leaders - Samsung Electronics, Daewoo Electronics and Goldstar - have long spoken of the need to move up the technology ladder to higher value added industrial products, peripherals, parts and components. But whether the industry has made the technological transition in time to weather the appreciating currency and growth of protectionism remains an unanswered question.

An array of impressive figures seems to show that the electronics industry is far from being in trouble. In 1988, on the back of a 35 per cent increase in output to \$23.5bn, it became the world's sixth largest producer. Exports rose 35 per cent in won terms to \$15.2bn and in the first quarter of this year by 23 per cent, or \$4.1bn, compared with the same period last year, according to the Korean Foreign Trade Association.

Still, this first quarter figure is down from increases of more than 40 per cent in each of the two preceding years' first quarters and the Electronics Industries Association of Korea (EIAK) forecasts that exports for April and May will have increased by only 9 per cent because of rising labour costs and the strong won.

Talk of protectionism from the US and the EC is a big threat

One of the changes in direction has been the move into semiconductor manufacture. In 1988 production reached \$5.8bn and exports \$3.2bn, rises of 40 and 55 per cent respectively. The Department of Trade and Industry says it hopes Korea will have increased its share of the world market from around 6 per cent to between 15 and 20 per cent within five years.

Finally securing its position as the world's No 3 producer behind the US and Japan.

The move has been hampered by limited experience with new technology, particularly as producers have moved from production of the 1-megabyte dynamic random access memory (Dram) chip into development of 4-megabyte Drams, industry experts say. Samsung is successfully producing 1-megabyte Dram chips.

Last year IBM and Samsung - which had to pay damages to Texas Instruments for copyright infringements - signed a cross-licensing agreement on trade patents covering IBM's portfolio of design and manufacturing patents for semiconductors, in what the industry says is recognition of Korea's technological dependence on foreign companies.

Samsung is now the industry leader since its merger with Samsung Semiconductor and Telecommunications in 1986. Export figures are already reflecting a switch from consumer goods. Parts and components exports in 1988 grew 57 per cent to \$5.8bn, after a 25 per cent increase in 1987, while industrial equipment exports grew 38 per cent to \$3bn last year after a 74 per cent increase in 1987.

However, there is already pressure from the European industry trying to prevent "screwdriver" assembly operations. Some Europeans are calling for the local European content of this form of overseas Korean production to be raised from the current level of 45 per cent to between 60 and 65 per cent. Until the move to higher-tech products progresses further, Korea's electronics industry will be equally vulnerable in the US, which is still its largest market with 37 per cent of sales in 1988. This was a rise of more than \$1bn to \$5.7bn but down by 6 per cent in terms of Korea's total electronics exports.

For the moment, the threat



Market leader: TV assembly line at Samsung Electronics

ELECTRONICS

Under attack on several fronts

year could have been foreseen by anyone familiar with US trade pressure, the acceleration of wages which has dug into profitability perhaps could not. Average wages in the industry rose 20 per cent in the first half of the year, compared with 14 and 18 per cent in the two previous years. Manufacturers complain about facing 60 per cent increases in wages in three years.

The reverse side of this coin is the increase in disposable income since 1987 when "democratisation" which was largely responsible for the 45 per cent increase in domestic demand for electronics goods last year, began.

More threatening is the protectionism stalking the US and the EC, markets which accounted for 56 per cent of Korea's exports in 1988 despite its efforts to diversify. Seven of Korea's 10 leading export items are currently the subject of dispute with the EC.

In the meantime, negotiations with European electronics industry associations during which Korea is thought to have been told to cut shipments and raise prices, the EIAK "offered" to police voluntary restraint agreements and price undertakings.

Three of Korea's largest chaebols have chosen to set up production facilities in Europe before the drawbridge goes up on "Fortress Europe", a move they seem to think is inevitable. Eight plants in the UK, Portugal, Spain, France, West Germany and Ireland now produce VCRs, microwave ovens and tapes.

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that the US might "name" Korea as a "priority foreign country" under the Super 301 clause of the 1988 US Omnibus Trade Bill appears to have receded. But that relief - for political rather than trade reasons - could be reversed. Korean exporters are also

One big change of direction is the move into semiconductors

restrained from moving more quickly upmarket into new higher-value consumer lines because of easy relationships with their competitors. A lack of indigenous technology in some areas means Korea's compact disc players use laser equipment from Philips in Europe. And Samsung has refrained from undercutting Japanese camcorder prices in the US because the company relies on Japanese suppliers, industry sources say.

Longer term, the MTI is encouraging development of smaller-scale producers, which employ less than 300 people, after studying the speed at which the largely medium to small-sized Taiwanese companies react to changing market conditions. Mr Lee Kun Hee, the chairman of Samsung, gave this a push last year when he announced the company would transfer \$2bn of lower end market consumer goods, such as small colour TV production, to subcontractors by 1991. The MTI has designated more than 30 electronics products for production only by smaller manufacturers.

Although Korea is never likely to be the small and medium-sized business "paradise" that Taiwan is, the Government says it is determined to reduce the dependence of Korea's 1,300 electronics companies on the large chaebols. It is supplying long-term loans and free use of government and university laboratories but small producers complain the Government helps only with development, not with production where they lack the chaebols' economies of scale.

Richard Gourlay

SOUTH KOREA'S TECHNOLOGY PARTNER



In the 1980s Davy has developed links with South Korea extending over a wide range of technology-based engineering projects.

The value to Davy, and to Britain, of the company's Korean connection is around £200 million, with further developments in prospect. Projects currently under way or recently completed include:

- Three 13.2 metre diameter blast furnaces at Posco's Kwangyang works;
- Foundry Iron blast furnace and an anneal and pickle line for stainless steel at Posco's Pohang works;
- Electrolytic tinning and tin-free steel facility for Pohang Special Tinplate Co;
- Automatic shape and gauge control for Hysung Metal Co;
- Plasma arc furnace development venture with the Research Institute of Science and Technology;
- Low pressure oxo alcohol plant for Korean General Chemical Co at Naju;
- Nylon 6 polymerisation plant for Tong Yang Nylon Co in Seoul.



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Wage increases at home have boosted domestic sales beyond the motor industry's wildest dreams

investment by existing manufacturers it seems unlikely any new players will join the big three when the Government lifts restrictions on the number of producers in July.

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SOUTH KOREA 9

PROFILE: CHUNG JU JUNG

Corporate leader in class of his own

MR CHUNG Ju Jung, the 74-year-old founder of South Korea's Hyundai group never went to business school and breaks just about every rule he would have learnt there. His style is autocratic, his executives make a virtue of not overdoing long-term strategic planning, the company has been dangerously dependent on one man and group management takes a confrontational approach towards its workforce.

Hyundai has also been a huge success, growing under Mr Chung's leadership more than any of the other conglomerates, or chaebol, modern Korea's economic miracle.

Following an inspired move into car production, the group has, under Korea's state directed capitalism from the 1960s through to the 1980s, become one of the world's largest conglomerates with estimated sales exceeding \$18bn last year.

Its future, however, is less certain since the process of "democratisation" got underway in Korea in 1987. With more political freedom, an active trade union movement has sprouted bringing higher

"Give us 10 years," says Mr Chung. "It is labour and technologically intensive, ideally suited for Koreans and will be in great demand in the future." The company's move almost directly into production of one megabyte dynamic random access memory chips (Drain), jumping the gear, prompted some analysts to suggest that Hyundai is running before it can walk.

Hyundai Engineering and Construction has faced a relative drought since the early 1980s and will probably have to look increasingly to the domestic market for growth. Last year profits fell 15 per cent to won 22bn on a 10 per cent fall in sales to won 1,980bn.

Like some other Korean consumer electronics producers, the Hyundai group has also chosen not to expand into Europe ahead of the elimination of industrial trade barriers there in 1992, preferring to wait to see if the fears of a "Fortress Europe" materialise.

Mr Chung says Hyundai is more interested in setting up joint ventures in Europe from where the company would market its products globally. Hyundai's expansion appears to remain diverse but none of the golden businesses of the early 1970s are visible on the horizon. In the 1970s Hyundai Engineering and Construction cashed in on the Middle East oil boom to make stunning profits. Mosques dotted throughout Korea are monuments to Korean workers in the Middle East who converted to Islam; so too are Hyundai and Hyundai Electronics which were built from the profits earned by Hyundai Engineering and Construction.

At the start of the 1970s the founder of the group also made a move that has rightly gone into modern Korean folklore, taking an order from Hong Kong shipping magnate Q Y Tang for a supertanker before Hyundai had even started building a shipyard. While honorary, but very active, group chairman Mr Chung Ju Jung is still around, Hyundai will be nothing if not increasingly vulnerable because it is more of a man than any other chaebol which are also led by dominating industrial tycoons.

"Austere, run more on

Executives make a virtue of not overdoing long-term planning

wage bills, while economic success has resulted in the appreciation of the won and protectionist winds in Hyundai's export markets.

Some observers say the external changes call for a shift away from heavy metal-based industries but Hyundai plans no fundamental change in direction. "The whole group will have to look to qualitative increase in income as the impelling objective and not just growth," says Mr Chung Hoon-Mok, the President of Hyundai Engineering and Construction company. This will require more co-ordination of higher value equipment with foreign companies, more capital investment and labour saving devices, and a move already under way into high-tech products, he says.

Analysts say that true to character "Hyundai does not seem to know in which of its key businesses its future lies. Hyundai Motor company remains a highly profitable cash cow for the group. Profits fell 23 per cent in 1988 to won 42.4bn (\$60m) on sales that grew 20 per cent to won 3,411bn. The company will be pushing for more growth, much of it in the domestic market, in order to continue increasing its economies of scale.

In the longer term the double blow of higher wage bills and an appreciating won suggests cars are not where the group's future lies, analysts say. Hyundai Heavy Industries, home of the main metal-based businesses, including shipbuilding which still accounts for 60 per cent of turnover, lost won 22bn in 1988 on sales slightly lower at won 645bn after breaking even the previous year.

A long strike at the shipyard, which ended in April, has not helped Hyundai's reputation for meeting delivery schedules and Mr Chung says the company will add only high value units to its two year, 6m dead weight tonne order book. Hyundai Heavy Industries plans, however, to expand into production of

The group has chosen not to expand in Europe ahead of 1992

machinery and plant equipment and, in a move that analysts say holds more promise, Mr Chung says the company will push into "mechatronics" uniting its growing industrial electronics sector with its heavy industry.

Hyundai Electronics Industries entered the market late six years ago and is breaking even for only its second year. In 1988 it turned in a won 30bn profit on sales up 112 per cent at won 463bn. Despite a rocky and late start Hyundai Electronics is concentrating on the industrial electronics field where Korea's leaders Samsung and Goldstar are now heading because of fears of rising protectionism and the highly priced, sensitive nature of the market.

Hyundai has told the Ministry of Trade it will double its investment to won 100bn in 1989, double the rate of Samsung and Goldstar's expansion programmes. It is in the field of semiconductors, which the group entered shakily four years ago, pulled out of after troubles in Silicon Valley and is now firmly back in, that Hyundai has some most forward planning and, says analysts, where it could secure its future.

Hyundai symbolises modern Korea's economic miracle

gut feeling - the honorary chairman is still very much in control," says Mr Lim Sung-Kwon, analyst at Jardine Fleming securities in Seoul. This is potentially most damaging in labour relations. During the shipyard strike earlier this year senior Hyundai managers hired thugs to attack union headquarters. Later, they called on the Government to put down the "civil strife" which the Government duly did with the help of about 14,000 police.

Hyundai Construction's Mr Chung says both management and labour need to mature; one Hyundai employee says the honorary chairman takes it as a personal insult that any worker should strike for better conditions and wages. Some observers doubt whether a company with 175,000 employees in 25 subsidiaries can continue to be run like a boot camp, where until recently there was a reputation of Hyundai hatred and defiance.

Furthermore in a company so centralised, questions remain unanswered over Mr Chung's succession. Hyundai officials counter by saying there are more than 450 executive directors with an average 28 years of experience ready to take over.

One key factor in Hyundai's success is unlikely to change: control of the group will stay with the Chung family when the honorary chairman dies, and no major dilution of shareholding is expected. The Government's aim of limiting the concentration of economic power in the hands of the chaebol will prove much slower to implement than at first thought, says Mr Lim. As a result Hyundai will be able to continue the high levels of reinvestment for long-term returns free of the "short-termism" faced by companies answerable annually to shareholders.

Probably more than any other Korean group Hyundai will have to adapt to fit into the changing economic and political realities. Mr Chung may not have been to business school but Hyundai in Transition must surely be the subject of a case study one day.

Richard Gourlay

The petrochemicals sector has attracted a crop of potentially big investors, writes Ray Bashford

Race to claim portion of a lucrative pie

SOUTH Korea is joining an Asia-wide push into the petrochemical industry with a large-scale development plan which would create an important building block within the nation's industrial infrastructure.

At least eight companies are preparing development proposals after the Seoul Government signalled its desire to reduce dependence on imported petrochemical products.

The precise shape that the industry is likely to take and overall production levels will not be known until December, when the proposals will be made public. However, to judge by the feverish planning activity which is taking place in some of South Korea's biggest companies, the petrochemicals sector is shaping up to be one of the country's biggest targets for industrial investment into the next decade.

Figures vary widely on the construction cost of six naphtha crackers and the expansion of capacity at the two already operating, but according to an executive of a US petrochemical company between \$6bn and \$8bn would be a fair estimate.

Last year, South Korea imported 71 per cent of its required ethylene. As ethylene plays a vital role in the overall production of a wide range of

plastics this shortfall also made the country reliant on the importation of a host of downstream products such as monomer styrene.

With the added production from existing plants and output from the planned six other crackers, South Korea's production will increase from 805,000 tonnes a year to 3.15m tonnes a year by 1993, according to the Korean Petrochemical Industry Association.

An oversupply threatens to develop if all projects go ahead along existing plans. The most recent figures published by the association forecast a total demand for ethylene of 2.2m tonnes a year by 1995 up from an annual 1.52m tonnes in 1988. All companies involved in the planned projects see the potential for export but this market is forecast to soak-up no more than 10 per cent of the total output.

The locations of the possible sites along the west coast of the peninsula indicate that China is seen as a possible market. However, China's strength as a major buyer is doubted by some companies in the industry because Peking also intends to reduce its import requirements through the development of an indigenous industry.

Other Asian countries with accelerating industrial growth

such as Thailand, Indonesia and Malaysia are also pushing ahead with cracker construction and several should come on stream at about the same time as South Korea's.

At the same time, output from the Middle East, Western Europe and the US is at near record levels and is poised to increase further, threatening a large over-supply well into the

Several industry analysts believe that the companies may have paid insufficient consideration to the cyclical nature of the industry but rather are basing their forecasts on the buoyant conditions which the industry has experienced world-wide during recent years in a period of relative short supply.

"Recent history has shown

favour of the month so everyone is trying to get in," a representative of a foreign company said.

The Government initially called for expressions of interest from potential investors in the industry in April 1987 and the volume of proposals has slowed the decision making process. Analysts at the Seoul office of Jardine Fleming Securities conclude from recent research that 71 companies displayed initial interest in entering the industry in widely varying forms.

The two existing producers - Yukong and Daesim Industrial - will retain their leadership after the completion later this year of their expansion plans which will boost output to 655,000 tonnes a year and 600,000 tonnes a year respectively.

Lucky Petrochemical and Korea Petrochemical have set late 1991 as the likely completion date for their plants which have a combined annual output of 600,000 tonnes. However, there remains a degree of doubt about whether all the remaining four planned projects will go ahead. Hozam Petrochemical and Hanyang Chemical both intend to construct plants at Yeosu with production capacities of 350,000 tonnes a year.

The industry believes that if

any of the six new possible entrants was to drop out it would be one of these, due in part to the difficulty they are understood to be facing in gaining firm undertakings on the purchase of relatively scarce suitable land.

A government official dealing with the petrochemical industry said that Samsung General and Hyundai Petrochemical have already secured sites and would present construction proposals in December. Both plants, based in Seosan, have an annual capacity of 850,000 tonnes a year but are not likely to reach maximum capacity until at least 1995.

A go-ahead to this form of development of the petrochemical industry would dash any lingering hopes that leading international companies might have had of participating in upstream production.

Most of the international operators, including BASF, Shell, Dow Chemical, Hoechst and BP, have joint ventures under way with local companies in downstream production.

"It's a market that is too big to ignore and an industry that is going to change dramatically in the next few years," an executive of one of the companies said.

The shape that the industry is likely to take is still unclear. However, to judge by the feverish planning activity which is taking place in some of South Korea's biggest companies, the petrochemicals sector is shaping up to be one of the country's biggest targets for industrial investment into the next decade.

next decade. Representatives of foreign petrochemical companies resident in Seoul fear an acute over-supply and believe that South Korean companies are attempting to commit themselves to excessive output targets.

"The Government has said that it will allow the companies to make their own decision. But the question is, are the companies going to throw the local industry into chaos through over-supply," commented an industry analyst.

At the start of the 1970s the founder of the group also made a move that has rightly gone into modern Korean folklore, taking an order from Hong Kong shipping magnate Q Y Tang for a supertanker before Hyundai had even started building a shipyard. While honorary, but very active, group chairman Mr Chung Ju Jung is still around, Hyundai will be nothing if not increasingly vulnerable because it is more of a man than any other chaebol which are also led by dominating industrial tycoons.

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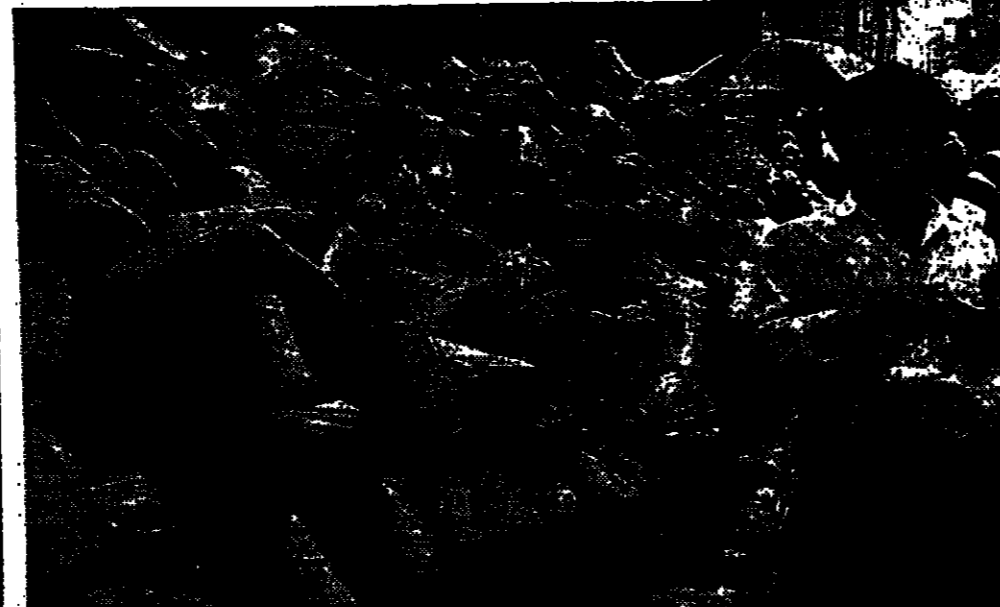
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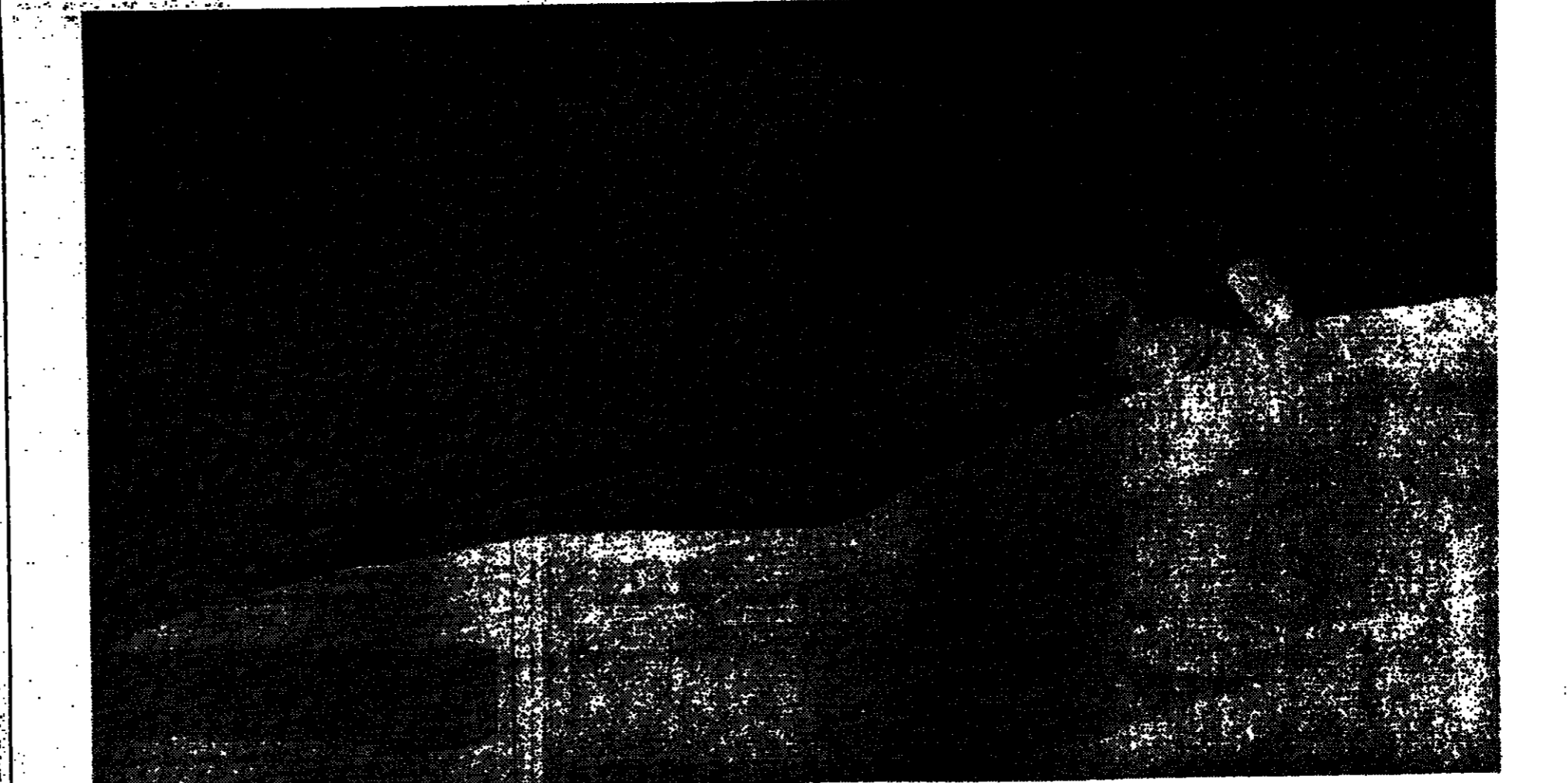
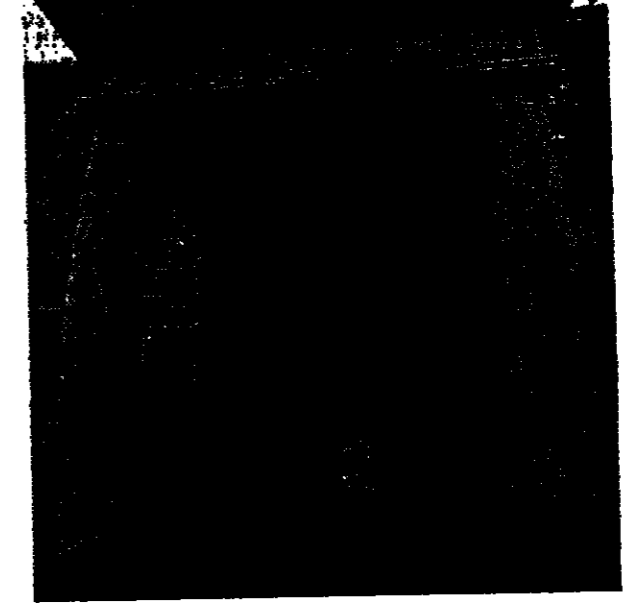
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MONEY MARKETS (right): South Korea's central bank has been a major instrument of government policy designed to foster and protect local industry. But pressure is increasing to open up financial and other sectors to foreign competition. Mr Eun Kim, the Governor of the Bank of Korea says: "Our people are open minded to internationalisation and we have to internationalise our banking system."

STREET MARKETS (left): Dealer selling locally produced Boshok sports shoes, one of the most popular brands of sports shoes in Western markets and a leading South Korean export. Trade friction, notably with the US and EC, has revived interest in the possibilities of an Asian trade association, an idea taken seriously by Seoul.



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SOUTH KOREA 10

Privatising the state telecommunications sector is seen as a way of making it more competitive

Infant industry poised to escape state's grip

The Korean Telecommunications industry will take a highly tentative step way from the clutches of the central government later this year when shares in the Korean Telecommunication Authority are offered to the public.

Companies which believe they are in need of greater access to such services such as banks, securities companies and news agencies, claim that they are being denied a more complete access because of political sensitivities.

Washington is pressing Seoul to open up the market

The Government holds monopolistic control over the industry

monopolistic control over the industry through direct and indirect ownership of KTA, Data Communications Corporation of Korea (Dacom) and several much smaller groups in related areas.

There are widespread suggestions of friction between the managements of KTA and Dacom, the consequence of having two government-controlled groups operating in closely related fields.

Washington is pressing Seoul to open up the market

viding "information and exchange of technology to the Korean people."

Government policy has been adrift in the face of strikes, writes Richard Gourlay

Rising statistic welcomed by few

AS SOUTH Korea approaches the second anniversary of the tumultuous political upheaval now known as "democratisation", it is clear that least progress has been made in developing mature labour management relations.



Laying down tools: workers near the Hyundai shipyard protesting against police tactics

The violence in a number of the disputes that have swept the country shows many managers and workers are unwilling to accept they must now co-operate and that government policy is adrift, at times leading to too little intervention and at others far too much.

Virtually no private sector company has escaped the thousands of strikes. In May more than 170 companies were on strike, mainly medium-sized component manufacturers supplying the big industrial conglomerates, and the Government was estimating a loss of more than \$1bn in exports in the first quarter.

The Government has since announced laws preventing companies leaving such loose ends when they depart from the country. In many of these cases the reactions, albeit violent, have been triggered by managers who could be accused of not changing attitudes they developed during the days of the authoritarian

Hyundai, however, greatly aggravated the strike earlier in the year, according to Mr Chang Yung Chul, Korea's Labour Minister. "Unfortunately, in January the Hyundai management used terror so it made the conflict worse," he says.

for the past two lost decades (when workers substantially missed out on the rapid economic growth). Workers in the textile and chemical industries, small machinery and electrical shops and women have been left furthest behind.

Much of Korean industry has shrugged off the effects of the strikes, as the enviable 8 per cent forecast growth this year suggests; the majority of companies that settles quietly does not make the headlines.

Increasingly, the strikes are for better wages rather than for recognition of unions

Increasingly, the strikes are for better wages and conditions rather than for recognition of unions. Since 1987, 4,000 democratic unions have been voted in to replace the in-house workers' councils, all of which must be affiliated to the Federation of Korean Trade Unions (FKTU).

Virtually no private sector company has escaped the thousands of strikes

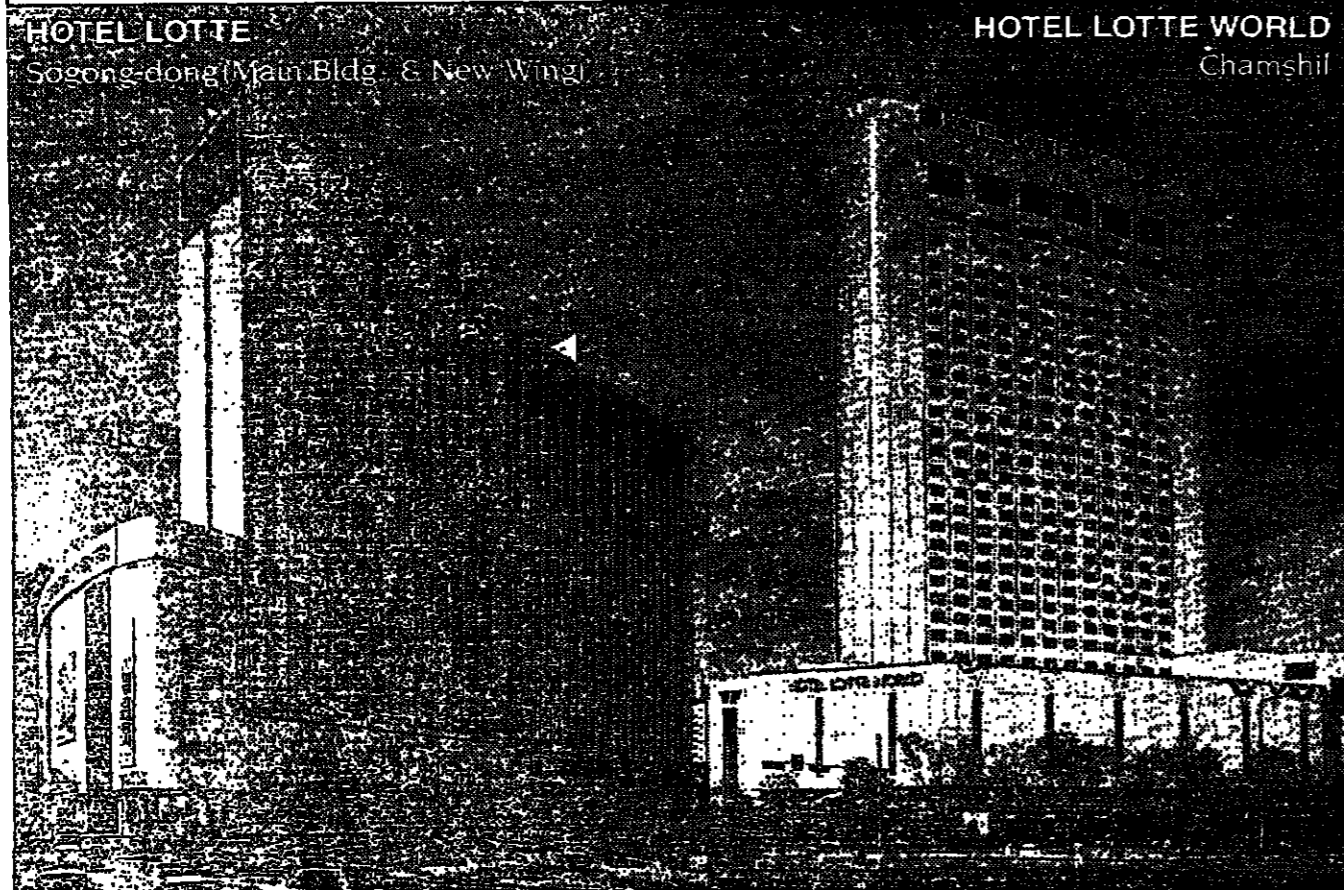
During a strike at Motorola, the US electronics company, some workers poured paraffin over themselves and threatened self-immolation to prevent police breaking up the strike. In the ensuing scuffle a match was lit, and led to some appalling burns.

government. Hyundai, the country's largest conglomerate is an extreme example. Towards the end of a long strike at its shipyard in Ulsan, the company appealed to the Government to help quell the "civil strife."

Emerging from some union leaders is a view of how the country should develop, totally different from anything openly aired before. "It is time for a change in industrial structure to capital intensive high-tech that not only relies on low wages," says Mr Phee. "And we should pay compensation

style enterprise unions, similar to the workers' councils, while some workers' leaders are trying to establish industry-wide trade unions. An increasing but still small number of unionists are also trying to set up a new union federation because they say the FKTU is predominantly "yellow", or not independent of management or the government.

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SOUTH KOREA 11

Outward bound tourism is one way of improving Seoul's international image, writes Ray Bashford

Passport out of the Hermit Kingdom

THE possession of a South Korean passport was a privilege, not a right, until the beginning of this year. Scarce foreign currency reserves and government control, for principally political reasons, over the movement of South Koreans had for years virtually paralysed international travel. However, the relaxation of restrictions on the issue of passports since January 1 this year has opened the floodgates to international travel for the nation's growing middle class. Mr Hwan-Kyu Lew, an executive director of the Korean National Tourism Corporation (KNTC), estimates that up to 1.5m South Koreans will travel abroad this year, compared with 725,000 last year. His confidence is based on figures for the first quarter of the year, which show an 82 per cent increase on the corresponding period.

Long queues at the passport office and immense difficulty in booking an outward ticket are evidence of a collective desire to break the sense of national isolation that has surrounded the South Koreans during the past three decades as they have applied a single-mindedness to economic reconstruction.

Since the end of the Korean War, foreign travel has been the preserve of government officials, businessmen and students, with tourism beyond the financial reach of all but the extremely wealthy even if pas-

ports would have been available. As well as a reflection of a movement towards political liberalisation, the Government's support for overseas travel is a response to the nation's sharply improved current account.

The past two years have shown a strong growth in the trade surplus and, by encouraging tourism, the Government can be seen to be making some effort to reduce the mounting foreign currency reserves while displaying a further sign of national maturity. Outbound tourists last year exchanged won to the equivalent of \$1,350m against \$700m in the previous 12 months.

This response to international pressure to ease the trade surplus mirrors the Japanese Government's policy of promoting large-scale package tourism. Mr Henry S Oh, the chairman of Global Tours, one of country's leading travel companies, draws a parallel between the trend emerging in South Korea and Japan's achievement of a target of 10m outbound tourists three years ahead of the 1991 schedule.

The typical South Korean tourist is also likely to be part of a package tour which will take him to at least three usually Asian destinations during a week-long trip, according to a representative of a European airline.

"Most of the people going abroad from this country are

doing it for the first time so they are thrilled by having visa stamps in their new passports and photos in front of famous places," he says. Japan is the most favoured destination.

Last year 44.3 per cent of travellers included Japan in their itinerary to satisfy curiosity about the neighbour which for 36 years ruled them. Taiwan, Singapore Hong Kong

To teach them the finer points of travel and etiquette all passport applicants must attend four hours of lectures

and Thailand often also form part of the typical package. The cost of travel to Europe, compared with Asia, remains prohibitive to most although it is certain to become a more popular destination when people begin to head off for their second and subsequent overseas trips and when the population's affluence increases further.

With this rapid expansion, the KNTC has grown concerned about the international image of South Korea and are therefore less concerned about it.

The US, however, is a different matter. A delegation of government tourism officials recently visited the US in attempt to allay the fears of potential visitors who recall at such television pictures as the US flag being burned in the streets. As an indication of how severe the downturn has

been, only 2,000 American Rotarians attended a recent conference in Seoul from the 5,000 who were invited and the overall number of US tourists threatens to decline this year.

During the recent decades of isolation, little information about the attractions of South Korea leaked out, further complicating the task of promotion.

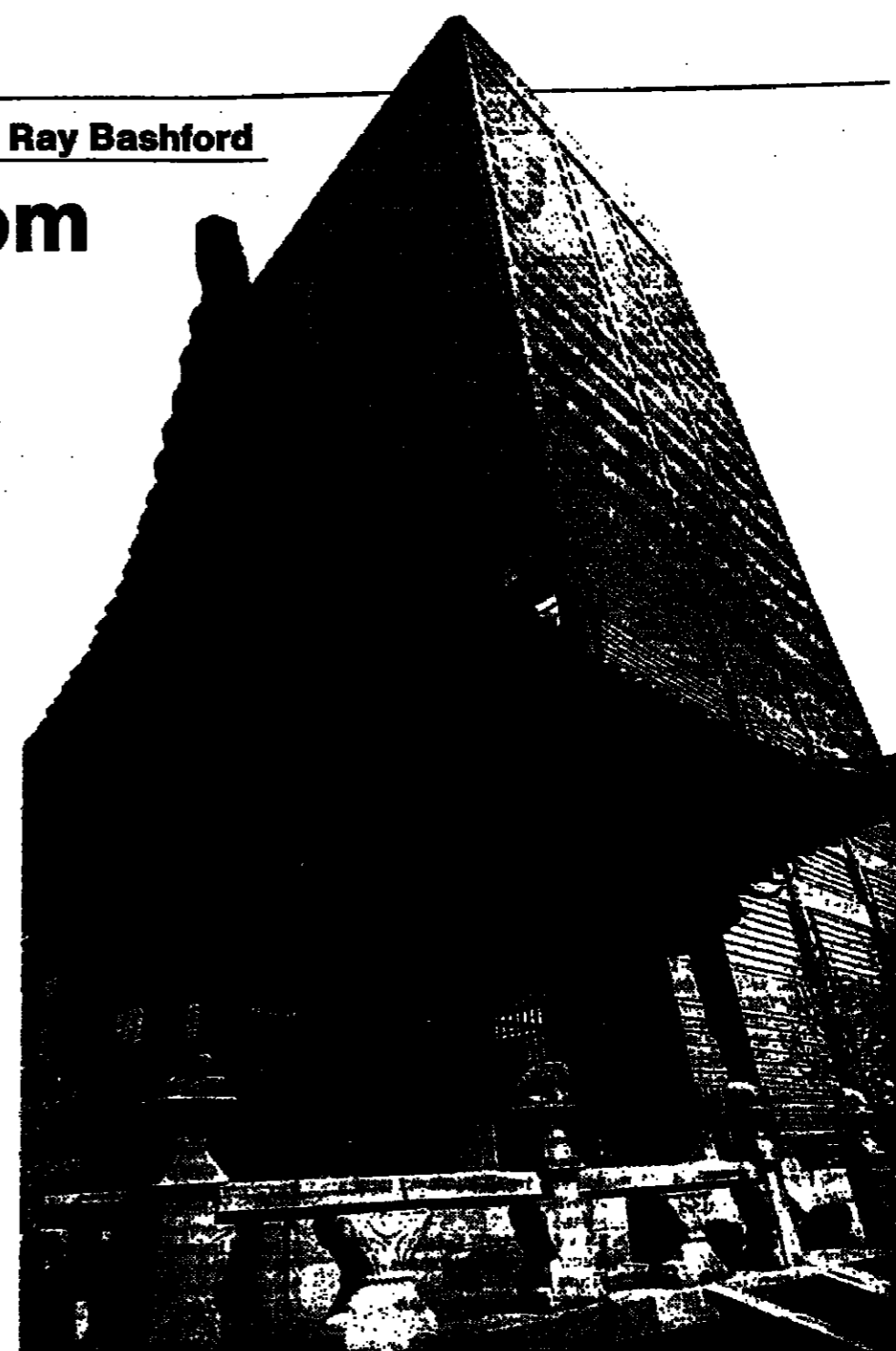
The relics of Korea's long history are offered by travel companies as the nation's greatest asset in the development of the industry. Seoul is sprinkled with palaces and shrines which provide places of tranquillity in a city bent on office tower and motorway development. Kyongju on the south-east coast is being promoted as "the museum without walls" due to its wealth of temples and shrines dating back to AD 668.

Unesco has selected Kyongju as one of the world's 10 most important historic cities and restoration work is in progress on many sites. Cheju Island, off the southern tip of the Korean peninsula, is perhaps the best-known tourist area outside Seoul. It is popular with Japanese who make the short trip across in their thousands, particularly during the mid-year honeymoon season.

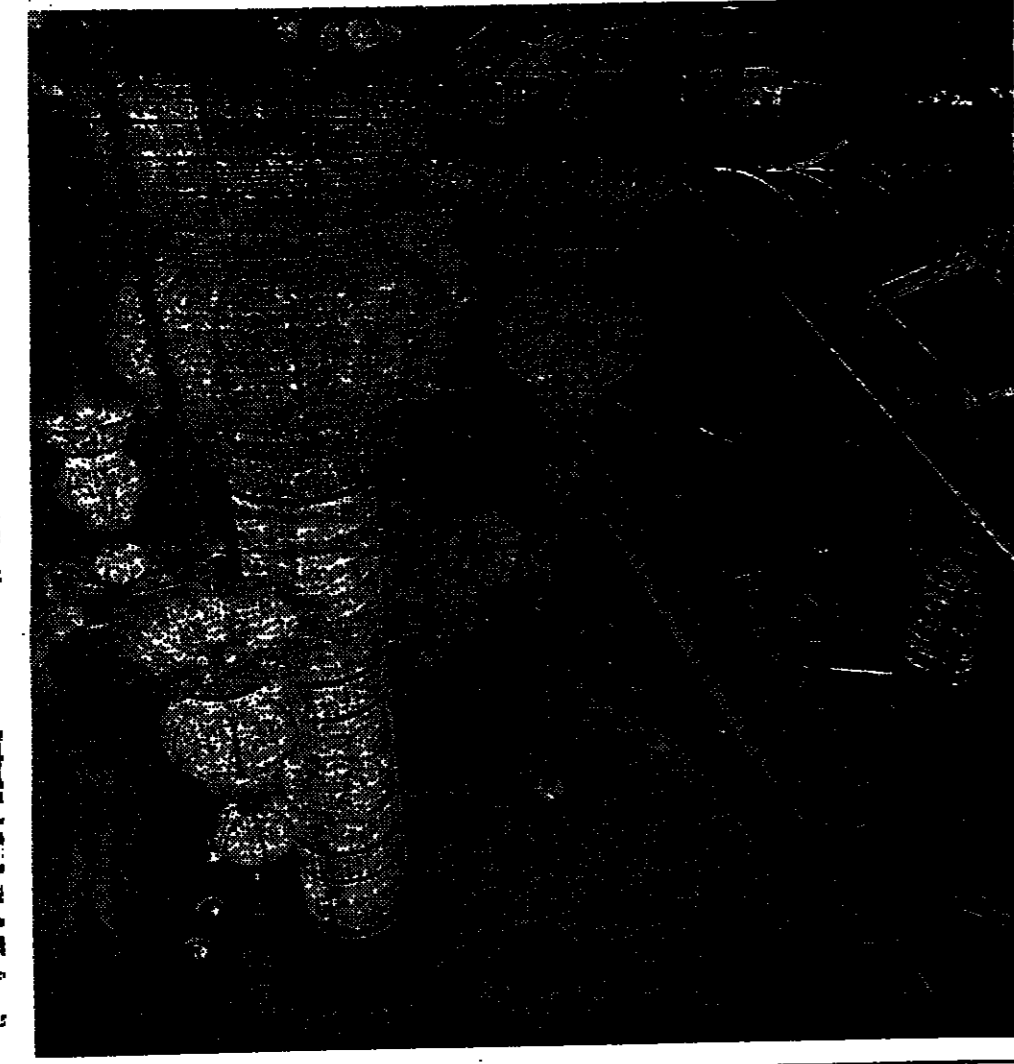
Several international hotels operate on the island and more are to be constructed as part of a nation-wide programme to upgrade accommodation for all levels of the tourist trade. But places such as Kyongju, Cheju and the hundreds of coastal and mountain resorts will remain byways to the international tourist routes until the South Korean political temperature lowers.

Japan remains the basis of the tourist inflow and Mr Oh says it is the Japanese who best understand the political situation in South Korea and are therefore less concerned about it.

The US, however, is a different matter. A delegation of government tourism officials recently visited the US in attempt to allay the fears of potential visitors who recall at such television pictures as the US flag being burned in the streets. As an indication of how severe the downturn has



Old and New: Seoul's memorial to the Kojong enthronement with a skyscraper in the background (right); a crystal tower attraction in one of the capital's main shopping centres (left)



Business person's hard won leisure excursions

COMING TO Seoul? Pack your credit cards and a wallet stuffed full of Korean won, the more the better. For prices in Seoul have rocketed since the beginning of the economic boom, especially in the service industries.

Start with your airport taxi driver. The nose fare in an ordinary taxi at won 3,500 is one of the city's better bargains - but in some taxis the meter is not switched on. Expect to be asked for as much as won 20,000 at your destination, though many drivers will settle for won 10,000.

Ordinary hotel rooms in the downtown area are now costing won 144,000 with an extra won 30,000 added for the executive floor. Ask, and you will no doubt receive, a corporate discount of 20 per cent.

Need a chauffeur driven car? One day attempting to negotiate Seoul traffic and its complicated taxi sharing arrangements will probably convince the business visitor to hire one, especially if time is short.

Expect to pay at least won 100,000 a day. If you're lucky your local business contact may be able to help with a car during your visit.

Traffic problems have worsened considerably in the past two years and more time is needed now to travel across the city. These visiting government ministries and economic planning institutes in the suburbs should plan appointments with this in mind.

Seoul's evening rush hour starts at 7pm and results in jams of more than an hour for those travelling south. If you have an evening dinner

south of the Han River, leave earlier or later to avoid the crush.

Although South Korea's restaurant and night life costs have not yet reached the dizzy heights of neighbouring Japan, they are fast catching up. Expect to pay won 100,000 for dinner for two including wine in a French hotel restaurant. Italian food will be cheaper from about won 60,000.

Dinner at a good Korean restaurant is likely to set you back about won 30,000 per person, although a simple meal at any of the numerous small cafes can still be had for less than won 5,000.

Most businessmen visiting Seoul are taken out by their Korean hosts for an evening, starting with dinner and going on to a night club or "room saloon".

Make the most of it because your night out will probably cost your host the following: won 80,000 for a bottle of Scotch; won 40,000 for an obligatory plate of fruit or snacks; won 50,000 each in tips for the waitresses of a hostess; won 50,000 tip for the private guitarist who will provide the backing for songs (Be prepared, rehearse your song in advance).

At the weekend you may fancy a game of golf. Few visitors realise the problem this entails, for golf has become one of the most expensive and exclusive pursuits in newly-affluent South Korea.

Club memberships now cost as much as won 3m and even members cannot be assured of a game. If your colleague's connections are good, be prepared to pay won 55,000 in green fees and a tip of won

12,500 for the caddy. Prices fall to won 37,000 during the week and courses are far less crowded.

The news is not so bad however for foreign shoppers. A trip to the bazaar and nightclub area of Insowon still finds Reebok sports shoes at around won 10,000 although a tailored suit might now cost at least won 150,000. Silk dresses remain a bargain at around won 35,000.

Korean ceramics tend to be expensive, appealing to the Japanese tourist market. Antique furniture, such as the attractive Korean chests, now cost from around won 300,000 for something of good quality. Bargain hard at all times, especially if there are few shoppers about.

The rise in prices, fuelled by wage increases and the country's current account surplus, have been spectacular in the past six months. South Koreans, feeling proud of their prosperity are gladly showing off their ability to pay.

But there are signs that this may not last. In January consumers became enraged when it was revealed that department stores were holding fake "sales", sometimes even raising their already high prices.

The stores saw Seoul's first demonstrations over consumer rights. Since then, revenues have been well down as shoppers look elsewhere. It seems clear that, unlike the Japanese, South Korean consumers will not forever accept high business profits at their own expense.

Maggie Ford

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SOUTH KOREA 12

The social consequences of economic growth are now causing concern, writes Michael Prowse

Unequal society rethinking its priorities

KOREANS have kept their heads down and worked amazingly hard for the past three decades. Their reward has been prodigious economic growth. Per capita income now exceeds \$4,000; it was less than \$80 as recently as 1960.

This is a spectacular success story. Yet when Koreans lift their heads from the workbench they cannot be entirely happy with the kind of society they see around them. In some respects the country is becoming a "capitalist hell".

Economic growth has been chronically unbalanced. Nearly 40 per cent of the population is crammed into Seoul and the surrounding metropolitan area. Business, medical, educational and cultural facilities are disproportionately clustered in the capital. Yet large swathes of the rest of the country, especially in the south-east of the peninsula, are poor and underdeveloped.

At the same time, family-run conglomerates and wealthy individuals are widely regarded as having grabbed an unfair share of the spoils of growth. The figures show that as Korea has grown richer, the distribution of income has grown more rather than less unequal, contradicting the normal pattern of development.

In 1965, the bottom 40 per cent's share of income was 19.3 per cent; by 1985 it was 17.7 per cent. During the same period the share of income going to the top 20 per cent rose from 41.8 per cent to 43.7 per cent.

But income distribution figures are far from the whole story. It is the uneven ownership of land, property and

financial assets which causes the greatest ill feeling. The inequalities have grown more visible because the rich in Seoul have become defiantly conspicuous consumers.

"BMW and Italian furniture are selling like hotcakes," says Dr B J Yang of Hyundai Investment Management, adding that people should "show more restraint" because the country's state of development does not yet warrant such luxuries.

The Government voices concern. Policy, says Mr Cho Soon, the deputy prime minister, is "very keenly directed to reducing inequalities in the distribution of income and wealth." There are plans, for example, to tax property and financial assets more heavily, and to put more resources into the less developed regions.

Ministers are also being forced to grapple with the increasingly serious shortage of housing. In November, a presidential commission on economic restructuring noted that in urban areas the total supply of housing units fell 40 per cent short of the number of households. As a result, while the wealthy own a string of apartments and speculate on rising property values, those on lower incomes cannot find anything to rent or buy.

The Government is attempting to ease shortages in Seoul by building two satellite towns.



When Koreans lift their heads from the workbench they cannot be entirely happy with the kind of society they see around them

But the plans have been heavily criticised. A large portion of the apartments are spacious and obviously targeted for the middle classes. Mr Kim Dae Jung, the leader of the main opposition party, is particularly sceptical, arguing that bold and imaginative policies to stimulate growth in the regions are required, rather than more houses close to Seoul.

Social welfare spending in Korea is niggardly, even by Third World standards. Social security expenditure accounts for a mere 2.6 per cent of gross

national product compared with an average of 7 per cent in other developing countries and 10 to 15 per cent in advanced countries.

The argument against state welfare has always been that Korean family ties are much stronger than in the West. The young are much more willing to support elderly relatives. But urbanisation, industrialisation and materialism are undermining these social bonds. Increasingly the disadvantaged are left to fend for themselves.

Ministers say they are

keenly aware of the need to improve welfare services. The Ministry of Health and Social Affairs's budget has increased by close to 30 per cent in won terms in each of the past three years — far faster than that of central government as a whole. The increased spending mainly reflects the expansion of medical insurance.

At the end of 1988, 67 per cent of the population were in medical insurance schemes and a further 10 per cent received medical aid or assistance. The corresponding figures for 1985 were 44 per cent

and 8 per cent. In 1979 only just over a quarter of the population was covered by medical aid or insurance. From this July, the Government intends to fill the remaining gaps by extending insurance to the urban self-employed and the employees of very small companies.

Premiums range between 3 and 8 per cent of salaries and are borne equally by employees and employers. But by developed country standards, the benefits are not generous. Insured patients have to pay 20 per cent of hospital costs out of

their own pockets. And insurance benefits run out after 180 days, regardless of the nature of the illness.

A national pension scheme was launched in January 1988. Previously, schemes had existed only for civil servants, the military and private school teachers. Last year a total of 5.3m people were in schemes out of an economically active population of some 16m. The national pension is explicitly redistributive: the basic payment is 40 per cent of final salary for those on average incomes; but low earners get proportionately more and higher earners proportionately less.

The Korean welfare system also includes some public assistance for the very needy and limited social welfare services for children, the disabled and the elderly. But the expenditure on these programmes is minimal.

Take the example of disability. There are about 915,000 physically or mentally disabled people in Korea. Yet welfare institutions for the disabled housed only 11,000 people. In 1987, the Government supplied only 619 artificial limbs, 395 hearing aids and 533 wheelchairs. Visitors to Seoul will note that there are virtually no facilities for disabled people in buildings or on the streets.

Worries about inadequate

welfare spending are compounded by other social ills. The environment is heavily polluted. The urban landscape is ugly. The traffic system is chaotic and deadly. Indeed, a recent poll showed that 75 per cent of the population were concerned about traffic safety; 46 per cent considered themselves "at risk" when driving.

For three decades Korea sought economic growth regardless of the social consequences. Attitudes are now beginning to change. Official reports are sprinkled with phrases such as "quality of life" and "social justice". But although there has been a belated expansion of some programmes — particularly in the field of social insurance — the commitment to welfare policies in their broadest sense seems shaky.

Some increase in the ratio of tax to gross national product will be allowed. (The current ratio of about 19 per cent is less than half the average in OECD countries.) But many Korean economists are wary of the "British disease" as an example of what must not be allowed to happen.

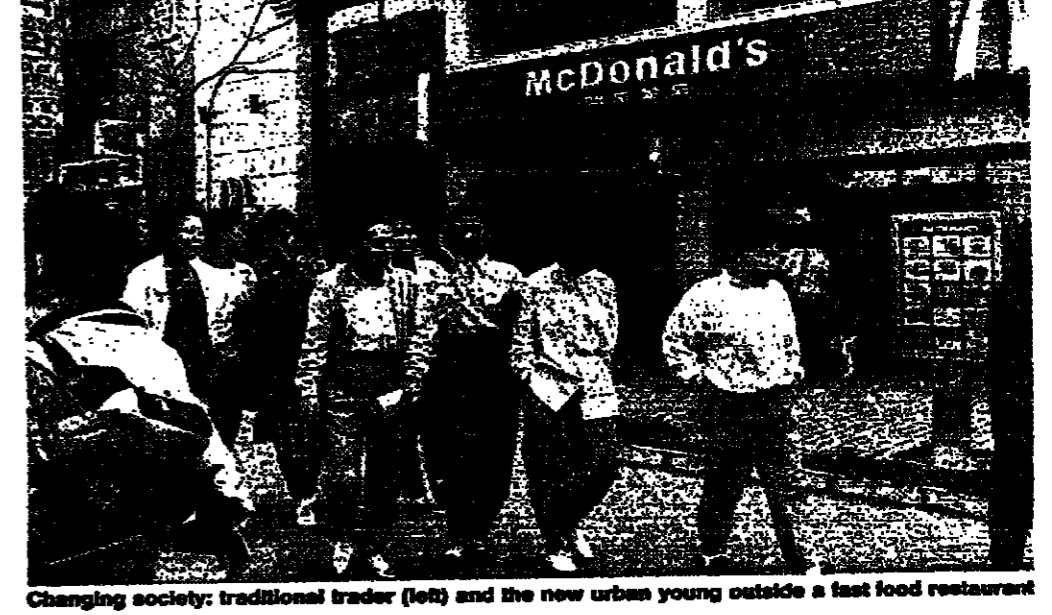
The truth is perhaps that Korea's development has been too hectic and its democratisation too recent to allow detailed consideration of the big social questions. How much inequality and how much welfare? These are questions for the future — and questions that are unfamiliar for a country obsessed by growth.

KEY FACTS

Area: 99,143 sq km
 President: Roh Tae Woo
 Population: 42.08
 Birth rate per 1,000:
 1965: 35%; 1986: 20%
 Population per doctor:
 1965: 2,700; 1986: 1,390
 Labour force as % of population:
 1965: 63%; 1985: 64%
 Urban population as % of total:
 1965: 32%; 1985: 64%
 Life expectancy at birth:
 69 years
 Real growth in GDP: 11.28%
 Average annual growth in GDP (1980-87): 8.7%
 GDP per capita:
 \$3,626; Taiwan: \$4,812;
 Hong Kong: \$5,553
 Inflation: 7.1%
 Average annual inflation (1960-87): 5.1%

Currency:
 100 chun = 10 hwan = 1 won
 Average annual exchange rates:
 \$ = won 731.47; £ = won 1,303
 Current exchange rates (June 1989):
 \$ = won 669.87; £ = won 1,059.40
 Merchandise exports:
 \$99,500m; Taiwan: \$60,590m
 Average annual growth in volume of exports (1984-88):
 13.4%; Taiwan 14.4%
 Average annual growth in price of exports (1984-88):
 6.96%; Taiwan 4.74%
 Main export markets:
 US 35.1%; Japan 19.9%;
 Hong Kong 5.1%; Canada 2.8%
 West Germany 3.9%;
 Merchandise imports:
 \$49,000m; Taiwan \$49,650m

Average annual growth in volume of imports:
 13.2%; Taiwan 17.3%
 Average annual growth in price of imports:
 0.5%; Taiwan 3.8%
 Main source of imports:
 US 26%; Japan 32.9%;
 Malaysia 2.7%;
 West Germany 4.4%;
 Australia 3.6%
 Trade balance as % of GDP:
 6.7%
 Current account balance:
 \$14,181m
 Stock of debt: \$40,459m (1987)
 Total debt service:
 \$12,299m (1987)
 Debt service ratio: 21.9% (1987)
 Official reserves: \$20.8bn
 All data 1988 unless stated otherwise



Changing society: traditional trader (left) and the new urban young outside a fast food restaurant

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ACCOUNTANCY COLUMN

National differences translate results

By Richard Waters

THE differences between the various accounting systems in use in the European Community - and the implications of these differences for the free flow of capital - are little-researched areas, particularly when compared to the amount of effort that has gone into looking at the differences in tax systems.

A recent Touche Ross report on the subject is therefore particularly welcome - if only because it is likely to arouse more interest in the subject. The report takes a multinational company (unnamed) and

Touche calls on the European Commission to harmonise consolidated accounts

recasts its profits in the accounting languages of seven major European countries. The basic results are illustrated in the chart, which shows the most likely operating profit and net profit the company would have reported under each accounting regime. UK accounting rules produce the highest net profit, at Ecu 192m. At the other end of the scale Belgium, Germany and Spain all produce a net profit of between Ecu 131m and Ecu

185m. What is particularly interesting about the Touche analysis is that it does not stop here, but goes on to look at the range of possible results that could be reported in each country, given the alternative treatments allowed in many places. This showed, for instance, that there is little room for pushing the UK results higher than the "most likely outcome" (Touche reckons the company could have enhanced its profits by only an extra Ecu 20m). On the other hand, the minimum achievable profit in the UK was Ecu 21m lower, at Ecu 171m.

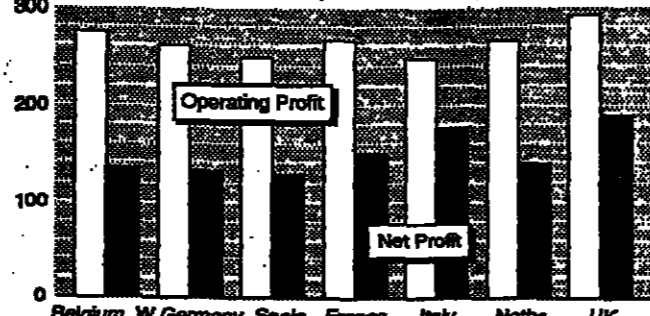
This contrasts with countries such as Belgium and Spain, where it is possible to lift profits substantially using optional accounting treatments. The highest possible profits in these countries were Ecu 192m and Ecu 192m respectively, very close to the UK ceiling.

On the other hand, there is little opportunity for a West German company to massage its profits upwards. But it can massage them down quite a way - to just Ecu 57m.

By concentrating on these "bottom line" results rather than the level of disclosure in each country, the Touche report accentuates the problem to some extent. It is possible to narrow some of the differences by recasting companies' accounts in the light of inter-

European accounting policies

The effect on profits (ECUs million)



national shown in the notes to their financial statements. However, this is only a partial answer and anyway it would be preferable if readers did not have to make these adjustments for themselves. Touche calls on the European Commission to concentrate its efforts on harmonising consolidated accounts, and for options in both EC directives and International Accounting Standards Committee rules to be reduced. It also calls for more research into this area - something this column wholeheartedly endorses.

BDO 'will crest merger wave'

BDO Binder, the biggest non-Big Eight accountancy firm, claims that its strengths were underestimated in this column recently. Hans-Henrich Otte, chairman of BDO's German practice, has written to say that he believes BDO has a strong future ahead of it - even after the defection to Price Waterhouse of its French firm, Befac.

In a reference to the possible wave of mergers among the Big Eight, Herr Otte says: "Given the state of confusion likely to exist in the international profession during the next few years, I believe BDO

Binder could have strong appeal for clients who regard stability and independence as an important factor in the selection of their financial advisers."

He could be right about the confusion ahead. But whether BDO will be the beneficiary of this, or others among the Big Eight (those not also involved in mergers, that is) is a moot point. BDO has not yet established its name as a true alternative to the "brand leaders" in the audit market.

Herr Otte adds of his own German practice (which is the jewel left in BDO's crown): "I should like to assure you that we have absolutely no intention of forming any different international affiliations. There is no question that we have as one of the founders played an important role in BDO and will continue to do so."

All those who have been trying to lure Herr Otte away from BDO, please note.

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Interested applicants should contact Fergus Hooly, quoting Ref: FT 585.

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experience of finance and systems within a major bank and who now wishes, and is able, to head up a small professional team. For the right person further prospects are envisaged within this large international organisation.

An initial salary in the region of £37,500 is envisaged, together with a company car, mortgage and the usual benefits. There is potential for a bonus in the longer-term.

Please write in the first instance to Colin Barry, quoting reference 969, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

PLANNING/ACQUISITIONS

£25-30,000 + Car
Our client, one of the UK's leading and fastest expanding multinational, seeks a young top calibre CA/ACMA to plan for the substantial growth. Part of a small high profile team and liaising closely with board members, responsibilities cover developing the group strategy plan, identify and contact acquisitions, and raising finance. Locations: West London, Ref: 08.

CONTROLLERSHIP/F.D.

£25-30,000 + Car + Options
This is a unique opportunity for a young qualified accountant 24-32 to join a publishing company determined to flourish. You will work with the board, with responsibility for all aspects of finance, fund raising, acquisitions and the accounting function. A superb role for a commercially aware, confident accountant. Location: Leighton, Ref: 08.

ANALYST - BANKING

£25,000 + Banking benefits
One of the UK's leading international banks is seeking a financial analyst. Acting as an interface between the central finance function and the business development team, you will analyse product performance and the business needs. As a newly qualified accountant, you should possess good communication skills. Location: City, Ref: 09.

BUSINESS STRATEGIST

to £50,000 + Car
With 1992 in sight, increasing emphasis is being given to achieving competitive advantage for clients in preparation for the opening of European Markets. This has created demands for high calibre ACA's or MBAs (28-34), currently involved with a blue-chip multinational or consultancy. Outstanding career opportunity. Locations: London, Ref: 08.

INTERNATIONAL M & A

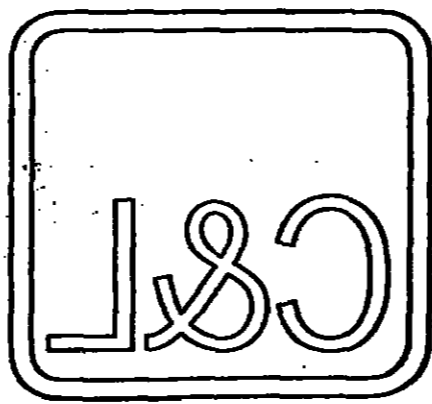
£20ng
We are acting on behalf of a leading Merchant Bank. They are seeking a further individual to join this fast expanding team within the Corporate Finance department. Within the fast track career development programme, you will be involved in a full range of international cross-border transactions. Suitable candidates will be ACA's of the highest calibre. Locations: City, Ref: 08.

For further information please contact John Bowman on 01-822 5416 or (evenings) on 0204 824793 or write to Financial Selection Services, Drayton House, Gordon Street, Bloomsbury, London WC1H 0AN.

Financial SELECTION SERVICES

There's only one view our competitors get....

Coopers & Lybrand



....from behind

Financial Management Consultancy CONSULTANTS - ALL LEVELS £20K-£60K

This is not a slight any Financial Management Consultant would wish to see, but it will be one familiar to our competitors. As an independent survey published in the 18th May 1989 issue of Management Consultancy (an Accountancy Age publication) stated, Coopers & Lybrand is the market leader in Financial Management Consultancy. Our success as one of the UK's leading firms of Management Consultants and Accountants is based on an outstanding reputation for the highest professional standards applied to a broad range of projects with many national and international blue chip companies.

As a consultant with Coopers & Lybrand, you could work on challenging projects in Management Information, Business Appraisal, Treasury Management, Cost Management or Strategic Management Accounting. With full involvement from initial discussion with the client to final implementation, you'll be able to monitor and assess the results of your work.

Our continuing expansion offers considerable opportunity for widening your experience and developing your career, if you are -

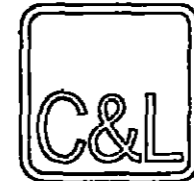
* an experienced consultant, we offer management positions and rewards of £40,000 to £80,000 per annum plus car

* a financial manager in industry, aged between 28 and 35, we offer a starting salary of between £30,000 and £40,000 per annum plus car

* an ambitious part qualified CIMA accountant, you could benefit from our extensive training as well as a salary of up to £22,000.

There is considerable scope for you to work internationally, especially in Europe.

If you wish to enter the leading Financial Management Consultancy firm please write, with full CV, to Victor Luck, Head of Financial Management and Business Appraisal, Coopers & Lybrand Associates Limited, Plumtree Court, London EC4A 4HT quoting reference 10/16.



Coopers & Lybrand

FINANCIAL CONTROLLER

UK General Insurance Division

Cotswolds; c. £40,000 + car + excellent benefits package

The changing face of Eagle Star has involved radical internal re-organisation during the past four years. Throughout the company, part of B.A.T. Industries, there is a growing consciousness of change, and enthusiasm for competitive advantage and growth.

Nowhere is this more evident than in our general insurance business, where in 1988 records were achieved in both premium income and results. Furthermore, over the past five years Eagle Star has outperformed the UK general insurance market both in terms of growth and service capability.

The role of Financial Controller is therefore of key importance in achieving the division's short and long-term business objectives through the enhancement of strong reporting and control systems within an already well established culture of financial discipline.

As deputy to the Divisional Director (Finance) the overall task is to help further improve the performance of the division through innovation and the creative analysis of operating budgets and results. Specifically, this will embrace the preparation of clear, incisive management information reports to the Divisional Board, co-ordinating the financial aspects of the business plan and recommending strategies for profit improvement. Sound project appraisal skills are therefore considered to be essential.

To tackle this role you will need a thorough knowledge of accounting practice and procedures, together with a good understanding of the industry and of its underwriting and claims functions. Probably aged 30-40 you are essentially proactive with an enviable record of successful financial management behind you and professionally qualified. In addition you are a confident personality, mobile, and a highly skilled communicator, able to work effectively and harmoniously with directors and your colleagues as well as with underwriters and sales management.

Salary is negotiable around the £40,000 level, a car is provided, and the excellent benefits package includes preferential rate mortgage, BUPA, PHI, non-contributory pension scheme and relocation assistance to the West Country, if appropriate. In addition, there are very real prospects for advancement for an ambitious, achievement oriented individual.

Please send a detailed cv to John Thompson, (Ref 1362) our Advising Consultant, at Thompson Associates Ltd., Compton House, Selsdon Road, South Croydon, Surrey CR2 6PA. Strict confidentiality will be maintained.



EAGLE STAR

Dynamic Accountants with Potential

In treasury, trading and wholesale markets

£25,000 to £34,000 plus significant banking benefits City based

We are looking for ambitious recently qualified or experienced accountants to join us at two managerial levels.

You will be involved in a wide range of audits and investigations for Midland Montagu, whose business activities in London and throughout the world include foreign exchange, money markets, hedging instruments, securities trading, M&A, venture capital, funds management and private banking.

Relevant experience in the audit of these activities is preferred, however excellent product training will be provided for less experienced candidates who can demonstrate potential and aptitude.

At whatever level you join us, you must have audit and investigation experience, strong analytical skills and commercial sense, and be able to communicate well with senior people.

In gaining an in-depth appreciation of Midland Montagu's business, there will also be opportunities to undertake assignments in other parts of Midland Group, or participate in due diligence investigations or short term secondments to projects outside audit.

After spending about two years in Audit we envisage successful candidates will be promoted, possibly within the department, but most likely into line management outside audit to a front line banking role or operations/finance.

These opportunities have been created by recent promotions which are in line with our career development policy that Audit is an ideal point of entry for high calibre accountants into the business. In addition to the salary and comprehensive banking benefits package we are also offering a company car at the more senior level.

If you are looking for a move which offers wide experience and career development, please send or fax your CV in confidence to: Bryan Gaunt, Head of Audit, Midland Group Audit - Midland Montagu, St Magnus House, 3 Lower Thames Street, London EC3R 6HA. Fax: 01-260 4838.



MIDLAND GROUP

BRADFORD

West Yorkshire Superannuation Fund
INVESTMENT MANAGER
(OVERSEAS PORTFOLIO)
Scale P05/6 Salary £18,078-£20,232 p.a.
(pay award due 1 July 1989)

The West Yorkshire Superannuation Fund is one of the largest UK Local Authority Pension Funds having investments with a current total market value of \$1,500 million including an overseas portfolio valued at \$225 million. The Fund is administered by the City of Bradford Metropolitan Council, and its entire investment portfolio is managed in-house by the Investments Section within the Finance and Computer Services Division. The investment performance of the Fund has been consistently high over a sustained period.

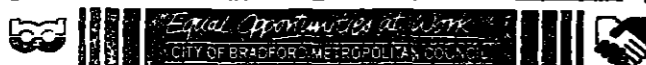
This new post has been created to provide the investment team with the resources required to effectively manage the overseas portfolio which has increased significantly both in size and diversification over the past few years. In addition to having responsibility primarily for the management of the Fund's overseas portfolio, the postholder will have important wider non-portfolio duties including deputising for the Investment Manager.

Applicants should be qualified accountants or educated to degree level or equivalent, have relevant investment management experience, and possess the drive and innovative skills necessary to make a successful contribution towards maintaining the good investment performance of the Fund.

Ref. F244/FT

Application forms available from the Personnel Unit, Directorate of Finance, 4th Floor, Britannia House (Broadway Entrance), Bradford BD1 1EX. Tel: Bradford 752753.

Closing date for applications is Friday 7 July, 1989. All full-time Officer posts are available for job sharing unless otherwise stated.



Retail Financial Management

Yorkshire Based

to £30,000 + Exec. Car + Benefits

Our client, a household name in high street retailing, with a turnover approaching £400 million, has, following a period of sustained growth, a requirement to strengthen its finance team with the appointment of two enthusiastic career minded professionals who possess the ability to generate and manage change in a dynamic environment.

Retail Chief Accountant

Reporting to the Finance Director, the successful candidate will be a Qualified Accountant who can demonstrate a track record of achievement in the organisation and management of large scale finance functions within a fast moving environment.

Candidates must be able to demonstrate well developed interpersonal skills and display the ability to thrive in a role requiring a flexible "hands-on" approach.

Retail Finance Manager

Working primarily on the development of quality management reporting systems, budgeting, planning and capital project appraisal, significant involvement with the company's retail management on a nationwide scale will be required. Reporting to the Finance Director, an essential element of this role will involve the creation of a management accounting team. With at least 3 years relevant post-qualifying experience, you must be able to demonstrate positive leadership skills combined with initiative and an enquiring mind.

Interested candidates should write enclosing a C.V., quoting ref: L8486, to James J Russell, Executive Division, Michael Page Finance, Leigh House, 28-32 St. Paul's Street, Leeds LS1 2PX. (Tel: (0532) 450212).



Michael Page Finance

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

FINANCIAL CONTROLLER

SOUTH COAST C 27,500 + Car

Export Orientated Instrument Manufacturer

A 7m turnover autonomous subsidiary of a fast growing quoted PLC requires a Financial Controller.

Operating from a new purpose built facility on the M27 corridor the candidate would report to the MD and have total responsibility for finance and commercial functions.

A strong background in management accounting against stringent timescale in a light engineering environment is essential. Candidates must be professionally qualified and able to demonstrate ability to develop the existing IBM S/36 and PC network to generate reliable and timely management information.

Compensation package includes the full range of benefits appropriate to a fast growing PLC.

Candidates should forward a CV marked L/S to:

STEAD Selection,
Cray House,
40 Stoke Road,
Gosport,
Hampshire PO12 1JB

Financial Analyst

Central London

c. £27,000 + car

A major British plc requires a young qualified accountant or MBA to work within its trading division assessing the relative profitability of product groups. There is a need to develop systems and techniques for increasing understanding of direct product profitability throughout the company.

Candidates will have two to three years' post-qualifying or post-graduating experience in financial analysis, probably in fmcc or in manufacturing. Candidates from practice with appropriate experience will also be considered. Personal attributes will include a sociable yet persuasive manner. Age will be under 30.

For fuller details write in confidence to George Wakely at JC&P, 104 Marylebone Lane, London W1M 5FU, demonstrating your relevance clearly and quoting 3068/FT.

John
Courtis
& Partners
Search and Selection

HOOVER UNIVERSAL Company Controller £30,000 Plus Car Plus Bonus Southend-on-Sea, Essex

Hoover Universal, a subsidiary of the U.S. Johnson Controls Group, has carefully built up its business so that it is now the largest manufacturer of Motor Vehicle Seating in the U.K. Turnover currently amounts to about £30M and there are 450 employees. A recent change in strategic direction is now bearing fruit and the Company is capitalising on its investment in J.I.T. Technology and a total quality system.

We are seeking a highly motivated, hands-on individual, for the position of Company Controller. The candidate must have a comprehensive background in a manufacturing environment with experience in manufacturing performance control and analysis, production cost and pricing analysis, and a thorough knowledge of automated manufacturing control and reporting systems.

The position will also be responsible for directing the Company's computerised systems, therefore, experience in a progressive MIS environment will help distinguish the successful applicant.

A team player with solid organisation and interpersonal skills is necessary as this job has contacts with U.S. and European numbers of the Company, as well as several Joint Venture Partners.

This is an exciting opportunity to join a forward thinking manufacturing concern in a growing sector. Please reply with a full curriculum vitae to:

Mr. D. Torrance, Company Secretary & Treasurer,
Hoover Universal (U.K.) Limited, 55 Progress Road,
Leigh-on-Sea, Essex S89 5JJ

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CORNWELL PARKER

GROUP COMPANY SECRETARY

High Wycombe c£30,000 + benefits + car

This long established fabrics and furniture group, which incorporates brand names such as Parker Knoll, GP & J Baker, Monkwell and Nathan Furniture has achieved excellent growth to a turnover in excess of £80m.

The present Group Company Secretary will be retiring in 1990 and the objective of this advertisement is to find his replacement.

You will be responsible to the Chairman and will be involved in many day-to-day business, legal and financial activities, which will entail working closely with directors and other senior management. Responsibilities will include dealing with pension and other personnel benefit schemes, insurance, property purchase/management and the usual corporate matters for the holding company and of subsidiary companies.

Probably aged around 40, you should be a professionally qualified lawyer, chartered accountant or chartered secretary with relevant broad based experience gained in a public company.

To apply, please send CV, indicating current salary to Suzanna Karoly quoting reference F/819/K.

Ernst & Whinney
Executive Recruitment Services
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

SPECIAL PROJECTS

UK RETAIL GROUP

ACA Aged 26-30 to £35,000 + Car

This major UK retail group continues to develop significant growth potential through organic growth and further acquisitions. The group is committed to maintaining and enhancing its strong international market position. This is reflected in the constant assessment of investment opportunities.

As a result of a promotion, there is an immediate requirement for a key individual to join the Group Finance Team.

Based at their prestigious West End offices, the job will be project-oriented and will include work on group financial planning, appraisal and analysis of operating company performance, corporate finance projects, and technical accounting and taxation issues.

As an accountant who qualified with a major professional firm, possibly with commercial experience, you will have a mature and confident approach, enabling you to communicate effectively with senior management.

The potential for rapid advancement is essential.

Interested applicants should telephone James Hyde on 01-437 0464, or write to him, enclosing brief details, at the address below.

ROBERT WALTERS ASSOCIATES
RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

ACCOUNTANT

Accountant required to manage and direct a well established fast growing food related importing and distribution business with £2m in sales operating in central London.

Salary negotiable
Profit share & Benefits.

Write Box A1258,
Financial Times, One
Southmark Bridge,
London SE1 9HL.

GROUP FINANCIAL EXECUTIVE

North Midlands To £40,000+Car+Executive Benefits

Our Client is a substantial public company involved in a wide range of industrial sectors in the U.K., E.C., North America and worldwide, with a most impressive long-term track record of profitable growth, gained both organically and through acquisition. Turnover is now nearing £300 million p.a. with profits to match, and the Group is targeting further expansion for the 1990's. To assist in the achievement of these corporate plans, a new post of Group Financial Executive is being created.

Reporting to the Group Financial Director, the new appointee will take an important role in the future direction of the Group, with specific responsibility for ensuring tight financial controls in a decentralised management environment. Other duties will include all Group reporting interim and annual statutory accounting; budgeting and forecasting; taxation and treasury; management of the finance function. Clearly, it will also be necessary to ensure that adequate computer systems exist throughout the Group to cope with increasing workloads.

The post offers considerable career challenges and the long-term prospects for advancement usually associated with a successful Group of this size. It is thought most likely that the role will suit a Chartered Accountant with drive and first rate technical skills who is interested in working with people to achieve ambitious goals. Following professional practice, the appointee will have taken a senior financial role within a public company and will now be keen to progress further. An excellent salary and benefits package will be offered.

Please apply, in writing, with full career and salary history details, quoting reference B/204/89 to Louisa Chapman.

KPMG Peat Marwick McLintock

Executive Selection

200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

Are you as confident of your potential as we are of ours?

Within the office supplies, paper and packaging markets, Reedpack is an undisputed leader. A group of nine companies formed recently as the result of the UK's largest ever management buy-out, with major city support, we employ 12,500 people across 83 sites in the UK and the Netherlands; and enjoy an annual turnover of some £900 million. While looking forward to flotation, we are investing heavily, not only in new technology and plant modernisation, but also in new businesses and acquisition. This climate of expansion offers significant scope for professional achievement. Consequently, the following positions present financially experienced individuals with the opportunity to develop their potential within a successful and diverse European environment.

<p>Finance Director Northampton c£35K + Car</p> <p>This senior appointment to the Board of the Plastics Division... involves the development and implementation of financial strategy, with a particular emphasis on overseeing the further growth - possibly involving acquisition - of a division consisting at present of three profit centres on five sites. Reporting to the Divisional Chief Executive, this position demands a proven record of achievement at senior level within a relevant business environment.</p>	<p>Corporate Finance Manager Aylesford c£30K + Car</p> <p>The Corporate Finance Department of 9 people has day-to-day responsibility for the financial management of the Group, including consolidation, the preparation of reports for the Board, central accounting, statutory accounts and other returns. This is a key Head Office position which co-ordinates the flow of financial information throughout the Group.</p> <p>Reporting to the Group Financial Controller, the role requires an experienced accountant with technical and managerial skills gained within the profession or a substantial business.</p>
<p>Company Financial Controller Leicestershire c£27K + Car</p> <p>Reporting directly to the Managing Director and with responsibility for a staff of 15, the role offers overall control of the accounting and DP functions which provide financial management to three separate factories within the Group's Plastics Division.</p> <p>As a senior member of the management team, your contribution to formulating and implementing future company policy will be essential. Consequently, you should preferably combine a professional accountancy qualification with a degree and at least three years' relevant experience.</p>	<p>Business Analyst Rickmansworth c£28K + Car</p> <p>You will be part of the Head Office team involved in monitoring the commercial progress of the Group; preparing and reviewing corporate business plans, analysing project proposals and other initiatives and presenting analyses and reports.</p> <p>Reporting to the Finance Director, this is an unstructured role which would ideally suit an MBA or chartered accountant, aged late 20's - early 30's, wanting experience in a challenging commercial environment and having the ambition to develop into general management.</p>

In addition to the salary levels quoted, each position carries a comprehensive range of benefits. Initially, please write enclosing full CV, and indicating position applied for, to Linda Helme, Head of Management Development, Reedpack Limited, Cloisters House, High Street, Rickmansworth, Herts WD3 1B6.

REEDPACK LIMITED

FINANCIAL DIRECTOR

Central London Leisure c.£40K + bonus + car

Our client is a fast-growing Plc with major interests in the leisure and property markets and has an outstanding profit record. A recently acquired Division in the leisure sector now requires the appointment of a well qualified and experienced Financial Director. This company will continue to pursue an active acquisition programme, building on a base of top quality assets.

Reporting to the Group Chief Executive, the role will encompass full responsibility for all accounting and finance matters within a subsidiary of a Plc. Key areas will be the introduction of sophisticated financial controls and the organisation and motivation of a staff of 8.

Ideal candidates will be aged 30-40, qualified accountants with at least 5 years commercial experience, gained in a service sector. Acquisition experience will be beneficial, whilst practical knowledge of up-to-date accounting techniques and man-management experience are essential.

The excellent remuneration package includes executive car and extensive range of company benefits. The company's Head Office is located in an attractive area of the West End.

Please write or telephone, in confidence, quoting reference 1596, to Andrew Davies, Bull Thompson & Associates Ltd, 63 St. Martin's Lane, London WC2N 4JX (01-240 3561), the recruitment consultant advising on this appointment.

Bull Thompson

LONDON · BIRMINGHAM · LEEDS · MANCHESTER

HEAD OF AUDIT

Major Financial Services Group

to £45,000 + subsidised mortgage + car

A subsidiary of one of the world's premier banking groups, our client is one of the City of London's leading financial institutions. Providing a full range of investment banking services, the company is highly regarded and is committed to further development.

In a new role, the successful applicant will establish the audit function and its strategy and plan, guide and review the work of a small team. In a position which requires continual exposure to senior management, he or she will be responsible for ensuring the maintenance of operational control across the company's business groups, with particular emphasis upon securities. The workload will be varied and will involve a range of analytical projects including risk management strategy and new product review.

In their early 30s, applicants should be graduate Chartered Accountants with management experience gained in either a leading professional firm or commerce. Experience of the securities industry would clearly be advantageous.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/838/F.

LOYD MANAGEMENT

LOYD MANAGEMENT Selection Consultants 123 High Holborn London WC1V 6QA 01-405 3499

Financial Controller

with Board potential

Relocating to Northern Home Counties in 1990 up to £35,000

Our client is an established national supplier of commercial products and is part of an international plc. Reporting to the Managing Director, this is essentially a "hands on" financial role, calling for the ability to manage strict financial controls relating to a high volume of trading transactions.

Development of computerised systems for cash and credit management, stock controls and order processing will be an important part of the job.

Currently based in the West Midlands, there is a commitment to decentralising the accounting function. The successful candidate will be responsible for project managing this move, relocating and/or recruiting a smaller centralised finance team and for devolving part of the processing function to nine individual depots.

The ideal candidate will be a qualified accountant with plc experience involving a multi-site, fast moving industry. Good team management skills and the ability to contribute to the general business strategy as a member of the management team are essential. The role is an ideal stepping stone for someone with their future sights set at FD level or beyond.

For further details please write with CV or telephone Jennie Hale, MSL International, Broad Quay House, Bristol, BS1 4DJ. Telephone (0272) 276617.

MSL International

CAREER FINANCE OPPORTUNITIES

— with a new national organisation

Subject to enactment of the Water Bill currently before Parliament, a National Rivers Authority will be established in Autumn 1989. It will be responsible for the overall management of rivers, water resources, coastal water and associated regulatory aspects in England and Wales. With a small central policy unit in London, the vast majority of its employees will be based in the Regional Operational units.

The Authority's capital and revenue expenditure of circa £100m and £200m pa respectively will demand highly professional and efficient management of its financial resources in meeting the objectives of improvement and development of the environment.

Exciting and challenging career opportunities now exist to assist the Director of Finance in the formulation and implementation of finance policies and associated financial controls.

Principal Financial Accountant

to £25,000

London

Reporting to the Chief Financial Manager you will be responsible for ensuring sound financial systems and procedures are developed, implemented and monitored throughout the Authority, including the preparation of financial accounts.

Send your CV and we shall send an information pack. Alternatively telephone for a pack and an application form from David Burke, Austin Knight Selection, Kings House, Bond Street, Bristol BS1 3AE. Telephone (0272) 221891 (daytime), (0272) 686185 (evenings/weekends). Closing date for application 30th June, 1989.

NATIONAL RIVERS AUTHORITY

Treasurer

to £22,000

London

Reporting to the Principal Financial Accountant you will be responsible for the full range of treasury duties including expenditure control, cash flow budgets, consolidation and forecasts, and grant arrangements.

Auditor

to £22,000

London/Peterborough

Reporting to the Audit Manager your duties will extend over the complete range of audit activities in respect of both value for money and probity.

Candidates should be either fully/part qualified or have a relevant technician's qualification. Experience of public sector finance systems and procedures will be an advantage.

Conditions of service will generally be those appropriate to a non-departmental public body, including the option of membership of the Local Government Superannuation Scheme. Assistance will be given with relocation where appropriate. A lease car may be available subject to justification of need and a contribution to domestic usage.

Finance Director

Hertfordshire

To £40,000 + Car + Share Options

This major subsidiary (to £30m) of an acquisitive medium sized UK plc is involved in the communications sector and has achieved rapid growth since its inception in 1987.

The role has responsibility for the finance function and candidates should bring a commercial approach to achieving further growth of the business coupled with a shirt sleeve style. Key areas will involve developing existing computer systems and ensuring tight financial controls.

Candidates should be qualified accountants, age indicator 30-36, with proven man management skills, commercial experience and strong personality preferably gained in an environment of high volume transactions.

The future prospects within this dynamic organisation are not purely confined to the financial area. The attractive package includes future share options and relocation assistance if applicable.

Please telephone or write enclosing full curriculum vitae quoting ref: 322 to:
Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 01-839 4572

**Cartwright
Hopkins**

FINANCIAL SELECTION AND SEARCH

THE UK MARKET LEADER

Exceptional prospects to be precise. In fact, if you're looking to progress your career with a fast-growing, fast-thinking organisation which is committed to your growth as part of its own, then Booker must be your first choice.

With 180 depots nationwide and a quarter of a million retail and catering customers, we're Britain's largest cash and carry group. Thanks to astute commercial expertise, our turnover - over £1.6 billion - is set to increase dramatically. We're on a major growth curve. And the new Commercial Accounting department needs high calibre Accountants who are keen to grow professionally in an environment where their impact will really be felt.

MANAGEMENT ACCOUNTANT

£25k + BONUS + CAR
If you want to escape the "number crunching" routine, this could be your route. You'll provide an effective commercial based management accounting service to the Board. Preparing regular forecasts, annual budgets and three year plans for the Company will demand strong people-management skills and a high level of computer literacy. An accomplished

A £1.6 BILLION TURNOVER

OUTSTANDING GROWTH

Just what kind of prospects can a company like this offer?

BOOKER
CASH & CARRY

A BOOKER COMPANY

communicator, you'll need at least 2 years post qualification experience in management accounting within a progressive environment.

PROJECT ACCOUNTANT

£20k + BONUS + CAR

To further our current expansion, we are committed to diverse and significant capital investment. Part of your role will be to plan, review and evaluate capital expenditure and to monitor and report project performance. Recently qualified and computer literate, you'll need to be familiar with tax legislation relating to capital expenditure, including lease financing and the implications of DCF returns.

Both positions report to the Commercial Accounting Controller and are based in Wellingborough, Northants. If you'd like to take up our offer of substantial responsibility and career development, please send a comprehensive CV, including current salary details, to Gordon Crowe, Personnel Director, Booker Cash and Carry, Equity House, Wellingborough Road, Wellingborough, Northants NN6 1NZ.

FINANCIAL DIRECTOR

West Midlands Up to £32,500 + Car + Bonus

Our Client is a leading manufacturer of industrial fasteners, supplying a wide cross section of industry, with an established reputation for fine product quality. The company is well placed for future business development within the United Kingdom and in Europe, with the benefit of a range of high speed, sophisticated production techniques, and world-wide manufacturing rights for a "world beating" product. To complement their forward-looking, highly motivated management team, the Board now seeks to appoint a Financial Director.

Your brief will be to co-ordinate, plan and direct the financial management of the company, to maximise its contributions to business development, operational control and profit performance. You will ensure that the financial and management information is generated to a state of sophistication appropriate for future business strategy and business policy.

We would like to hear from mature, qualified Accountants with a track record of achievement in a fast moving, commercially orientated manufacturing environment, who are now ready for a decisive career move with a progressive company.

The role presents an opportunity to make a significant personal contribution to the company's growth, necessitating an ability to get beneath the 'skin' of the business and give advice to the Board based on the exact needs of the company.

For a position of this nature, the company offers a salary package designed to grow in line with the on-going development of the business.

Written applications, quoting reference B/198/89, highlighting career history and salary details, should be directed to Steven French.

KPMG Peat Marwick McLintock

Executive Selection

Peat House, 2 Cornwall Street, Birmingham B3 2DL

ACQUISITIONS MANAGER

Consumer Goods

Cambs/Lincs base

This household name public good has a record of growth and accelerating profitability and commands the respect of the city and its customers. Its strengths are an innovative, professional management team and strategically advantageous positions in growing markets. Building on its acquisitions successes, the group aims to strengthen the business development team and intensify its programme of deals.

Reporting to the Finance Director, you will be supported by two dedicated professionals and lead the acquisitions programme in the USA and Europe. The team is involved throughout the acquisitions process; identifying and financially evaluating target companies, negotiating deals and playing a full part in their integration into the group.

Package to £40,000 + car

The successful candidate will be a financial MBA or qualified accountant, in his or her early/mid thirties. A track record of progression in sophisticated organisations, combined with involvement in acquisitions, as advisor or principal, is prerequisite. The group offers excellent career development opportunities to committed professionals with commercial flair.

Please reply in confidence, giving concise career, personal and salary details to Heather Male, quoting Ref. LA26.

Egor Executive Selection
58 St. James's Street
London SW1A 1LD (01-629 8070)

EGOR
EXECUTIVE
SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain

Financial Controller

An important opportunity in marketing services

WEST LONDON

£35,000 package + car

Over the last 10 years our client has evolved and grown to become a leading independent marketing communications group with a turnover approaching £9m.

The group is highly geared to offer a range of marketing specialisms and following their recent move to prestigious new premises, they are now confidently poised to maximise and expand their high profile client base.

Strong financial management will however be critical to the realisation of their ambitious plans. They therefore wish to appoint an able Financial Controller to be responsible to the Managing Director for all financial and administrative aspects of the business.

You will be a Qualified Accountant, aged 30-45, with broad based accounting and cash management experience in a computerised systems environment. You will be a good manager, able to produce results reliably and on time and be keen to contribute to the success of the business.

The attractive remuneration package includes bonus, car and non-contributory pension and there are excellent prospects for career advancement.

Please send your curriculum vitae, including current salary and daytime telephone number, quoting reference A2033, to W.S. Gilliland, Grant Thornton Management Consultants Limited, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP.

Grant Thornton
Management Consultants

FINANCIAL CONTROLLER

Leisure Industry

£40,000 + bonus + car + options

Recently established as the leisure subsidiary of a successful and substantial property group, our client is predicting an exciting future. Developing and managing a number of operations across its sector, the company will grow rapidly.

Part of the small London based headquarters team, the Controller will be responsible for the establishment, development and control of the full financial and administrative function, including planning and systems implementation. As the senior financial executive, he or she will participate in corporate strategy and contribute to its achievement and must have the potential to grow with the company which will aim for flotation.

Likely to be in their early 30s, applicants must be graduate Chartered Accountants with broad commercial experience. Strong technical and interpersonal skills and the ability to retain sight of objectives whilst working in a dynamic environment are essential.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/832/F.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

Outstanding opportunity for young accountant European Financial Controller

C. London

£40,000 + Car

Our Client, a quoted international design consultancy with over 500 employees, provides a wide range of services to corporate clients through its network of offices in Europe and North America. The Group is ideally placed to significantly increase its sphere of operations, particularly in Europe as 1992 approaches. Reporting to the Group Finance Director, the focus of this key role is to drive up performance across the business by establishing an effective financial planning framework, exerting financial control and supporting the development of business opportunities. It requires the energy and drive to build strong relationships with Divisional management and is broadly commercial in outlook; it will appeal to those whose long term ambitions are towards general management.

Candidates should be graduate accountants; probably aged late 20s/early 30s with previous experience of people/service

businesses. Whilst accounting and analysis skills are obviously important, the emphasis is towards a strong business orientation, together with good communication and management skills. Additional European languages would be attractive.

Interested applicants should write enclosing a comprehensive CV and daytime telephone number quoting Ref: 337, to Barry Ollier, Whitehead Rice Ltd, 43 Welbeck Street, London W1M 7PG. Tel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

Group Finance Director (Designate)

Essex

£33-38,000 + Car

Our client is a profitable £10 million turnover group of companies providing a range of industrial services. Recent growth has been considerable and accelerating with an excellent opportunity to double in size in the next two to three years.

As a result of this growth, the company has identified the need to appoint a Group Finance Director (Designate) as a key member of its tripartite top management team.

As well as taking responsibility for all financial, administrative and company secretarial affairs, we are seeking a wide-thinking, commercially orientated individual who wants to make a significant contribution to maximising the group's ongoing growth and profit opportunities. In doing so it will be equally important to keep a finger on the pulse of the day-to-day business, requiring a "hands-on, shirtsleeves" approach.

The group's management style is very open, informal, relaxed and friendly, with a strong team spirit and a high level of genuine commitment. It is particularly important that the successful candidate can fit easily into this environment.

You will be a qualified accountant, aged 34-40, with experience of either small subsidiaries or independent companies, where finance has had a significant role to play in their success or survival. A high level of communication skills will be required, together with maturity, tact and the presence to present the group to all external parties.

This is a classical "the world can be your oyster" for the right individual and presents an excellent opportunity. If this appeals to you, please submit your cv to: Wayne Thomas, Executive Division, Michael Page Finance, Windsor Bridge House, 6 Brocas Street, Eton, Berks SL4 6BW.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Corporate Accountant

Mayfair, W1 c. £27,000 + Bonus + Benefits + Car

Our client is one of the UK's leading engineering and contracting Groups operating through subsidiaries worldwide. Progressive management have produced a strong growth record, such that turnover is now around £3 billion per annum.

A finance professional is now sought, to take line responsibility for the Head Office accounting function, including treasury accounting, the co-ordination of budgeting and reporting requirements, computer systems development and the management of a small team.

This is a visible role, requiring positive communication skills. The appointee will be a graduate Chartered Accountant, aged 25-30, working within either practice or industry and who wishes to develop a career in an international group.

To find out more about this opportunity please telephone, in confidence, Gerard Davies on 01-831 2000 or write to him at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

CORPORATE FINANCE

with one of the UK's fastest growing companies

To £30,000 + Car + Benefits

Berkshire

A commitment to investment in their existing companies and in strategic acquisitions has seen exceptional growth in our client's sales and profits in recent years. A world leader in several high technology fields, the company's sales turnover exceeds £500m pa and will continue to grow rapidly.

Reporting to a Director and working as part of a professional and highly motivated team, you will be involved in a variety of corporate finance projects. This will include acquisition research, strategy modelling, investment proposals, and financing alternatives. The senior level exposure of this fascinating position is invaluable and the business experience you acquire will be excellent.

The role will suit a graduate qualified accountant with at least two years' post-qualifying experience. Previous exposure to corporate finance is not a prerequisite but you must have first class experience in industry, commerce, or public practice. Age will not necessarily be a limiting factor. Of more importance will be your technical financial skills, commercial awareness and computer literacy combined with an ability to interact at all levels both inside and outside the company.

To find out more please write to Sue Rossiter, enclosing your career and salary details. Alternatively, please telephone her on (0628) 75956 (24 hours) for an informal discussion.

MKA EXECUTIVE SEARCH AND SELECTION LIMITED
MKA House, Park Street
Maidenhead, Berks, SL6 1EF
Telephone: (0628) 75956 Fax: (0628) 770063



Maidenhead, London, Worcester

FINANCIAL ACCOUNTANT

Major Financial Services Group

to £35,000 + car + mortgage

Our client is one of the world's most powerful financial groups. After a major reorganisation it has created a new company based in Central London to provide highly efficient and cost effective financial and business support services to the group's substantial and diverse operations.

Run as a commercial enterprise, the company is establishing a strong financial control team. Hence this new position with responsibility for developing and implementing new accounting systems and controls. The Financial Accountant will manage a small team producing and controlling accounts and play a key role in reporting on financial results to meet tight company and group deadlines.

Applicants should be qualified accountants with at least four years' commercial experience and the initiative and ability to provide creative input to a developing function. Future prospects within this company and the group are excellent.

Please write with full career details to David Tod BSc FCA
quoting reference D/839/JF

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6CA 01-407 499

LLOYD MANAGEMENT

Management Accountant Consultancy Opportunity

Midland Based

£24K + Car

Our Client is a fast growing consultancy organisation providing solutions to real needs within the engineering and manufacturing sectors of industry.

An integral part of their consultancy services is the expertise provided across a broad range of engineering, manufacturing and allied functions, to this end they are now seeking to recruit a Management Accountancy Professional to provide support in this key area.

You will most probably be under 45 educated to degree level with a professional accountancy qualification combined with demonstrable experience in an engineering based environment. Knowledge of modern accounting practices, including the introduction of integrated finance systems which successfully interface with manufacturing practices such as JIT is desirable.

The work will be both varied and stimulating and will involve an amount of travel and work at client's premises.

You will assist them in managing change from financial planning to organisational structure reviews and systems development.

It is important that you possess excellent communication and interpersonal skills, as you will be actively involved in awareness training and team development of client staff.

If you are seeking a genuinely influential position, and enjoy a challenging work environment then we would very much like to hear from you.

In the first instance you should send in confidence, full career/salary history to date, quoting reference number 78/10 to:

Roger Bicknell,
Simpson Crowden Consultants Limited,
Specialists in Executive Search and Selection,
Warwick House, 14 St. Paul's Square,
Birmingham B3 1RB. Tel: 021-200 1888.

Simpson Crowden
CONSULTANTS

Financial Controller

Teesside

£24,000 + Car

Our client is an autonomous, profitable, £10+ million turnover subsidiary of a US corporation, with an impressive record of growth in recent years. The company is a market leader in its field and substantial investment in new technology has created an organisation not only capable of exploiting traditional markets, but also those presented by new product developments.

They currently seek to recruit a Financial Controller who, reporting to the Managing Director, will assume full responsibility for the finance and associated functions. As a senior member of the management team, the successful applicant will be expected to contribute to the company's future success by exercising strict financial and treasury controls, as well as providing creative commercial input.

Particular emphasis will be placed on the further development of the company's computerised management information systems.

Candidates will be qualified accountants, aged 35+, with a strong technical background gained in a sophisticated processing environment. Excellent interpersonal skills and commercial flair are prerequisites for the role in order to make a significant contribution in this dynamic and demanding environment. Relocation facilities are available where appropriate.

Interested applicants should write to Mark Huxley, BSc, ACMA, Michael Page Finance, 25 Collingwood Street, Newcastle-upon-Tyne NE1 1JE (Tel: 091-222 0545), quoting Ref. NE018.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

High Growth Subsidiary of a Major PLC FINANCIAL CONTROLLER

Middx (M3/M4 Corridor)

c. £30,000 + Car + Bonus

Our client, a subsidiary of a major multinational PLC, has established itself as the leading player in the technology led areas of its operations. This has been achieved through commitment to high standards of productivity and excellence in quality of service. The company's growth and planned long term expansion has created exciting and demanding opportunities in all management disciplines.

Due to restructuring of the senior management team, the company requires a Financial Controller who can meet the challenge of a very dynamic and developing business environment.

Areas of responsibility will include:
• Developing strong financial and internal controls throughout all functions and procedures of the business
• Preparation of budgets, forecasts, business plans, development plans and project appraisals
• Monitoring performance, profitability and cost efficiencies
• Liaising with senior managers across the business in ensuring effective budgetary control

Significant improvements are required in most facets of existing financial management; consequently, the challenges of this role will be considerable requiring a qualified accountant aged 28-35 with:

- strong managerial ability and a self confident, mature approach
- team management skills
- strong interpersonal and communication skills
- a high degree of commitment and dedication

Opportunities for progress within the group are excellent for ambitious individuals.

If you wish to discuss this opportunity further, please contact Shirley Knight BA MBA ACMA on 01-491 3451 (01-281 1245 evenings and weekends) or write to FMS, 14 Cork Street, London W1X 1PP enclosing a recent CV and note of current salary.

FMS

Search and Selection Specialists
for
Financial Management

IN THE NORTH EAST

GROUP FINANCIAL CONTROLLER

North East to £30,000 + Car + Benefits

Our client is a multinational world leader in the design and manufacture of precision engineered products for the automotive and other industries. Despite already achieving a significant market share and a reputation for innovation and quality, they have a massive commitment to the research and development of new products. This long term strategy will enable them to seize market opportunities into the 1990's.

A corporate restructuring and succession planning has resulted in the need to recruit for a challenging new opportunity supporting the Group Financial Director.

The position involves amongst other things the critical evaluation of existing business activities in the U.K., Continental Europe, Africa and the Middle East and requires the ability to consider the non-financial disciplines of production and marketing in the assessment of profitability and performance. We anticipate candidates will be qualified graduate

accountants aged 30-40 (ideally with an MBA). You must possess strong intellectual, commercial and communication skills and be able to demonstrate measurable achievement preferably in a multinational manufacturing environment.

In return you will enjoy a diverse and challenging role with considerable scope for personal and professional development and an attractive remuneration package including a relocation allowance where appropriate. Candidates with the relevant background and experience should apply without delay.



Nigel Wright Consultancy
Saville Chambers, North Street
(off Saville Row), Newcastle upon Tyne
NE1 6DF. Telephone 091 222 0770
including evenings and weekends.

Specialists in Financial Recruitment

TRUST PARTNER DESIGNATE
£40,000
Central London

Our client, a medium sized firm of Chartered Accountants seeks an experienced individual that is currently supervising a Trust Dept, in a firm of Chartered Accountants or Solicitors.

Please contact David Paton,
Executive Search Division,
Hynes Associates Ltd,
77/79 Wells Street,
London, W1.
Tel: 01-580-552.

FINANCIAL CONTROLLER

Small bank, situated in the West End, requires computer literate, qualified accountant (ACA preferred) with previous banking experience. Will consider candidates from the profession with relevant experience. Position unlikely to suit candidates with less than two years post qualifying experience. Some previous experience of the following would be useful: running a small computer system; Lotus 123; systems development and implementation of controls; management and statutory reporting; Bank of England reporting. Salary negotiable from £25,000 plus benefits, including company car.

Please write to Box A1259, Financial Times,
One Southwark Bridge, London SE1 9HL

Powerful expanding multi-national

Group Financial Controller

Westminster

c.£45,000
+ quality car

Our client, one of Britain's most successful development and investment plc's, is 70 years established and extremely well funded. Substantial international expansion is now taking place. The climate is one of dynamism and enthusiasm.

Reporting to the Finance Director, the Group Controller will work closely with the Chief Executive and other Directors whilst taking complete day-to-day responsibility for all financial accounting and treasury matters, and for the supervision of a small accounting team. The range of work is varied and interesting.

An energetic qualified Accountant, probably in early thirties, you will have worthwhile experience of managing an accounts function.

Presence, maturity and total commitment are pre-requisites. Policy is to recognise and reward success. There are real opportunities for enhanced status and salary.

Please reply to Alison Hawley with details of age, career and salary progression, education and qualifications, quoting 5271/FT on both envelope and letter.

**Deloitte
Haskins + Sells**

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Finance Director

YORKSHIRE, TO £35,000 + CAR

A prominent retail group requires a Finance Director for its multi-branch stores division. Sales are in excess of £30 million with good prospects for development.

Reporting to the Managing Director you will play a key role in the commercial stewardship and development of the business. You will have a broad span of control over the finance & accounting, information technology and audit functions with some 50 staff. With a keen eye on bottom line performance, the emphasis of the

role must be on establishing rigorous systems and procedures to produce good quality management information for the management team to control and run the operations both efficiently and effectively.

You will be a qualified accountant with at least 5 years' in a senior line financial role. Ideally you should have experience in the retail sector or other multi-branch businesses. Most importantly though, your personal attributes must include a well attuned commercial

awareness in addition to the drive and clear sighted ability to manage change. Resumes please, including a daytime telephone number, to Chris Haworth, ext CH575, Coopers & Lybrand Executive Resourcing Limited, Shalvey House, 3 Noble Street, London EC2V 7DQ.

Executive Resourcing
Coopers & Lybrand

Financial Controller

Retail and Leisure

Middlesex

To £33,000 + Quality Car

Our client is an autonomous business unit of a major British plc whose turnover currently stands in excess of £6 billion. The division is responsible for introducing and developing new retail brands into the UK market place and as such spearheading a whole new growth area for the group.

In order to strengthen the finance function to support this planned growth, an exceptional opportunity has been created for a high calibre qualified accountant to take up the position of Financial Controller in the head office finance team.

Reporting to the Finance Director, you will be responsible for providing new management information systems and total financial control to support this rapidly expanding

business. Acting as deputy to the Finance Director, you will work closely with all functions in providing commercial advice across all areas of business together with detailed involvement in acquisitions and third party negotiations.

The ideal candidate will be aged 28-33 and a graduate possibly direct from Public Practice, with a recognised accounting qualification. Personal attributes will include self-confidence, initiative, a high degree of self-motivation and the ability to grasp relevant business issues quickly.

Interested candidates should send a comprehensive cv to Paul Boardman ACMA at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berks SL4 6BW.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

FINANCIAL CONTROLLER

Northampton

£28k package plus car

Our client is an expanding engineering company supplying precision products, primarily to the office furniture and computer manufacturing industries, both in the UK and overseas. Turnover has more than doubled in the last three years and is now in excess of £13 million.

In the light of recent growth and with a view to future expansion, a professionally qualified accountant is now required to work with the Finance Director in the strategic development of the finance function. In addition to specific responsibility for financial accounting, a critical role will be as part of the management team in developing future business plans.

Candidates should be qualified accountants

with at least three years post qualification experience in industry, preferably in a manufacturing environment. Experience of developing computerised financial systems is desirable. A flexible approach and effective communication skills are necessary to meet the challenge of this key position within an expanding company.

In addition to the salary package, benefits include free BUPA and a fully expensed company car. In the future there is potential for significant earnings growth through a performance related bonus scheme.

Please write in confidence with full career details, quoting reference MK3001 to Peter Coles.

KPMG

Peat Marwick McLintock

Executive Selection and Search

Norfolk House, 499 Silbury Boulevard, Central Milton Keynes MK9 2HA.

Group Finance Director

Residential and Commercial Property Development
NORTH WEST LONDON
c. £40,000 + Bonus + Car

Our client is a well established and successful residential and commercial property developer.

With a current turnover in excess of £20 million the company requires a Group Finance Director.

This high-profile position is for a graduate and qualified professional, who thrives on pressure and has an outgoing personality and the ability to generate confidence.

Working in close liaison with the business partners and as a key member of the senior management team, the successful candidate will have prime responsibility for all financial aspects of the Group including: development and presentation of financing proposals, joint venture agreements, financial strategy, accurate and up to date accounting records, management and statutory reporting, systems and procedures, and be instrumental in securing appropriate financing for the growth and expansion of the Company. Computer literacy and a high energy level are important to contribute in this demanding environment.

Ideal age - mid thirties. The remuneration will include a performance related bonus and an executive car. The company has a non-smoking policy.

If you believe you have the interest and the qualifications to meet this exciting appointment please send your CV and a covering letter (including day time telephone number) quoting ref FT118, to: David Preston.

ROBSON RHODES

Chartered Accountants

Management Consultancy Division,
136 City Road, London, EC1V 2NU.

Financial Controller

Service Sector/Multi-site

Growth Company

Rem. up to £30,000

The company is the major subsidiary of a large and profitable British group. Highly successful with a turnover approaching £80m, the company operates through a national network of depots offering a fast and efficient supply service to a broad range of industries. The person appointed will report to the Finance Director and be responsible for financial and management accounting. There will be opportunities for increasing the scope of the job as the company and the group continue to grow.

Candidates, aged around 35, must be qualified accountants with good track records including 2/3 years in a service, multi-site environment. They must be well used to staff control and have

already have been responsible for both financial and management accounting functions in companies with modern computerised systems. The nature of the job demands a personality able to get alongside and work with regional staff. Some travel is involved throughout the UK but this will not be extensive.

The head office is based in Cheshire with easy access to both town and country: relocation expenses will be met if necessary. Initial salary will be in the range £25,000-£27,500 and a bonus can add up to another 15%. A fully expensed company car is provided.

Please send full career details - in confidence - to A. D. Percival.

Ravenscroft & Partners

Search and Selection
20 Albert Square, Manchester M2 5PE

FINANCIAL CONTROLLER

West London £30-35,000

This is a unique opportunity to join a successful and rapidly growing organisation trading in world markets. The company is in the early stages of its inception and is in need of a financial controller to support and assist in the control of its complex operations.

As well as managing the day-to-day accounting functions, the financial controller will be heavily involved in the banking operations of a multi-currency environment where the emphasis is on cashflow planning. An important initial project will be to recommend and implement appropriate computerised systems to ensure the smooth running of the company's operations. Planning, forecasts and analyses will form a major part of the controller's responsibilities.

Candidates will be qualified accountants aged in the area of 35 years and will have considerable experience in a trading environment. A sound business background combined with an in-depth knowledge of banking and currency exchange is essential. The ability to work in a fast moving, informal team oriented environment is a must.

Please send brief personal and career details, quoting reference F/419/F to Frances A. Bell.

Ernst & Whinney

Executive Recruitment Services
Becket House, 1 Lambeth Palace Road, London SE1 7EU

Cadre financier

La Division Ingénierie Entreprises Générales et Canalisations intervient principalement dans :

- la conception et la réalisation d'usines chimiques, agro-alimentaires et installations pétrolières,
- la réalisation de pipe-lines, canalisations et d'ouvrages connexes.

Au sein de notre Direction Administrative et Financière, vous prendrez en charge l'étude et les négociations de financements liés à des contrats internationaux.

Une expérience bancaire de 2 à 3 ans, de préférence à la cité de Londres, serait appréciée.

Le poste pourra vous conduire ultérieurement à des responsabilités élargies en fonction de l'expérience acquise.

Merci d'adresser votre candidature sous réf. NRV 005 à Mr VAILLEAU, SPIE BATIGNOLLES, Pôle Newton, Parc St-Christophe, 95864 CERGY PONTOISE Cedex.

Spie Batignolles

UN ESPRIT D'ENTREPRISES

ASSISTANT GENERAL MANAGER - RESOURCES

Package c.£30,000 + Executive Benefits

Our client is an independent Assurance Society, with a Head Office located in the Midlands. Operating within a niche market, the Society has increased new business considerably in recent years, and now wishes to recruit an additional member to strengthen the Executive Team.

Reporting to the Chief Executive, the successful applicant will take responsibility to ensure the necessary systems and procedures are in place to make efficient use of the Society's financial and human resources.

The ideal candidate for this newly created and challenging role must therefore be more than just a qualified accountant with D.P. experience, but also have a successful track record at management level.

The initial salary will be in the region of £30,000, plus the usual executive benefits.

If you feel you have the background and stature to perform this innovative role, then please write with brief career details to:

Arthur Young

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Mr. J. A. Cox,
Arthur Young, St Nicholas House,
Market Hill, 15-17 George Street,
Luton. LU1 5DJ

clearly marking envelope ref. JA44

Business Analyst

London W.1.

c £35,000 plus car

A major plc with substantial interests in the Western World now seeks an exceptional business professional to join the head office corporate management team.

The successful candidate will help to develop corporate strategy, identify acquisition opportunities, assist in negotiations as necessary and review post acquisition performance.

Applicants should be aged between 28 and 35 and must have an MBA and be able to demonstrate an excellent track record with some acquisition experience. Business flair, creativity and excellent communication skills are considered essential. Fluency in at least one European language would be useful.

The successful candidate will enjoy a high profile role with exposure to the main Board, therefore an attractive remuneration package will be offered which will include a full expensed car, contributory pension scheme, profit share and share options.

Interested candidates should send a career resume, including details of current remuneration, and a day time telephone number, in the strictest confidence to:-

**HODGSON
IMPEY**

Peter Willingham (Ref. 051)
Managing Director
HODGSON IMPEY
SEARCH & SELECTION LIMITED
50 Pall Mall London SW1Y 5JQ

SYSTEMS ACCOUNTANT

Our client is a leading underwriting firm operating in the Lloyd's market. The company recognises the importance of using Information Technology to give their business a competitive advantage and has recently invested in a multi-million pound computer system - widely regarded as the most advanced so far developed in their field.

They now seek an accountant to manage the computerised accounting and information systems function. As well as ensuring the highest quality output of financial and management information and maintaining accounting integrity throughout the system, this role will involve working with the MIS Department to develop and further enhance the system as well as implementing it in new business areas. The position calls for an energetic and

practically-oriented Chartered Accountant, with proven ability to manage and motivate staff, and to communicate with and influence people at all levels. Applicants should have at least two years' post-qualifying experience, gained in a line accounting or audit role with a major organisation. This must include hands-on experience of mainframe computer systems. This is an extremely challenging brief, with considerable scope and management responsibility. The role is set to expand and prospects in both the medium and long term are excellent.

Applications, in the form of detailed career resumes, should be sent in confidence to John Moxed, Digby Moore Associates, Mountbatten House, Victoria Street, Windsor, Berkshire SL4 1HE, quoting reference SA65. Telephone 0753 857181. Fax 0753 860696.

DIGBY MOORE ASSOCIATES
SEARCH SELECTION



Financial Director

Cambridgeshire

c£30,000 + car + bonus

The St Ivel Group is one of the UK's largest food groups with turnover of well over £1 bn. We are looking for a Financial Director to head up the finance function in their Fresh Produce business area, which is composed of several companies and co-operatives, including one in France and a London-based importer.

The role is very varied and challenging, and we need someone with real business sense and experience who can set and maintain financial standards across largely autonomous business units. A high level of technical accomplishment will be needed to find ways of improving financial performance, deal directly with banks and foreign currency transactions, progress business development opportuni-

ties and manage both line and functional reporting relationships.

Candidates must be qualified accountants with significant commercial experience in a dynamic environment who can demonstrate the ability to make things happen.

Salary is negotiable around £30,000 + car and bonus. There is an attractive package of other benefits and exceptionally good prospects for a candidate with real talent in this very substantial and dynamic group.

Please reply in strictest confidence with full cv to Vincent Lyddieth, James Allen & Associates Limited, 46 Drury Lane, Solihull, West Midlands, B91 3BJ. Telephone 021-705 7399.

JAMES ALLEN ASSOCIATES LIMITED

EXECUTIVE SEARCH, SELECTION & DEVELOPMENT

AMBITIOUS ACCOUNTANTS

Major Financial Services Group package to £30,000

Our client is one of the largest and most influential British groups. The scale, diversity and changing nature of its activities and their financial management and IT requirements have created and continue to create a very wide range of career opportunities for ambitious young accountants.

Initially working in a high profile team based in Central London you will review and appraise the group's activities, controls and information systems - an investigative role providing a thorough insight into the many facets of the group's interests and a proven stepping stone for rapid progression at group or operating company level.

A very competitive remuneration package including non-contributory pension and low cost mortgage will be geared to attract young accountants who have qualified within the last four years and are seeking unrivalled experience and career opportunities.

Please write with full career details or telephone David Tod BSc FCA quoting reference D/835/IF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1A 6QA 01-405 3499

LLOYD MANAGEMENT

Financial Controller

Exceptional opportunity in an International group

Northants

to £24K + car

Engelhard is a leading international name in the business of specialty chemical engineered material and applied precious metal technology. With a corporate H.Q. in the USA our reputation for quality and professionalism is known worldwide. Engelhard Technologies Limited, Daventry, is a highly successful part of the Group, dealing with specialty chemicals. With an annual turnover of £5M, a talented Accountant is needed to take on the position of Financial Controller to make an important contribution to both the future success of the Company and the Group as a whole.

This high profile role covers a broad range of tasks with total responsibility for the financial and company secretarial functions including the development of management information systems, key involvement with strategic planning and a valuable input to commercial decision-making generally. Ideally you will be fully

qualified but, more importantly, have sound business experience at a senior level, as you will play a significant role as a member of the management team in the achievement of our business strategy. Corporate literacy is important.

Your personal qualities must include the drive and enthusiasm to succeed in a pressured environment and the scope and ambition to develop within this important role. Exceptional communication and interpersonal skills are essential.

We offer a salary of up to £24,000 p.a. plus a company car and a generous range of benefits and superb opportunities for career progression throughout our International Group. An excellent relocation package will be available where appropriate.

Please send your CV to: Mr K N Holloway, Human Resources Manager, Engelhard Limited, Valley Road, Chalfont, Gloucestershire GL14 2PB.

ENGELHARD

Director of Finance

UNIVERSITY OF LIVERPOOL, TO £40,000

With an expenditure budget of some £90 million and more than 8,000 full-time students, the University of Liverpool is one of the county's foremost educational establishments. It is now facing the challenges presented by the rapidly changing world of university education.

An exciting opportunity exists for the appointment of the Director of Finance, responsible for the financial operations of the University. Reporting to the Vice-Chancellor, the Chief Executive Officer, you will be a key member of the management team that will respond to the pressures of

the 1990's. You will head a finance function of some 75 staff and your immediate task will be to develop further the financial planning and information systems required in the management of this changing environment.

As a qualified accountant, you will already be holding a senior financial position in either the public or private sector. Although experience of educational establishments is not essential, you need to be able to relate to the academic world and have the personal qualities that will secure acceptance of required

changes. You are unlikely to be below age 35.

Resumes please, which include a daytime telephone number and an indication of present salary in confidence, to Peter Jones, Coopers & Lybrand Executive Resourcing Limited, Abacus Court, 6 Minshull Street, Manchester M1 3ED, quoting ref P172.

Executive Resourcing Coopers & Lybrand

Financial Director

Essex

c£30,000 + Bonus + Car

Our client is an autonomous subsidiary of an expanding international public Group, engaged in the worldwide distribution of high technology industrial goods.

They now seek to appoint a Financial Director who, reporting to the Managing Director, will assume full responsibility for the financial and commercial functions of the business. Key areas of responsibility will include the upgrading of financial controls; strategic and financial planning; and the further development of management information and reporting systems. As a member of the Executive Management Team, the individual will be expected to make a significant contribution to the commercial management of the business.

Candidates, aged 30+, will be Qualified Accountants, with systems implementation

experience gained in a fast moving, multi-national organisation. Well developed communication skills and the ability to make an effective contribution to profit development within a growth orientated environment are regarded as pre-requisites for this appointment. As this is viewed as a development role within the Group, career prospects are considered excellent.

A comprehensive package including a profit related bonus scheme and full relocation facilities are available where appropriate.

Interested applicants should submit their CVs to Wayne Thomas, Executive Division, Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Exon, Berkshire SL4 6BW.



Michael Page Finance

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Financial Controller

FINANCIAL DIRECTOR DESIGNATE

North East Manchester

c £25,000 + bonus + car + benefits

Our client, an established £10m turnover business which distributes quality watches, is a subsidiary of Fine Products PLC - a company based in the UK which has worldwide interests. They wish to recruit an ambitious accountant, with practical management experience in the consumer goods field.

The successful applicant will become a key member of the management team, and will be specifically responsible for:

- The management and development of the Accounts Department.
- The provision of timely and accurate financial and management information.
- The installation and operation of a new computer system.

We are seeking a qualified accountant - probably aged between 30 and 40 - who can demonstrate significant potential for advancement and who has a proven track record of implementing and operating computer based management information systems, costing, budget setting and monitoring, man management and success at senior management level.

This interesting and demanding role provides scope for rapid promotion to Finance Director. Further career prospects are excellent for the right individual.

Applicants should write, in confidence, with full personal and career details (including current remuneration) to: Paul Hendry, Spicers Consulting Group, 12 Booth Street, Manchester M60 2EO.



SPICERS EXECUTIVE SELECTION

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HILL LEIGH

GROUP FINANCIAL DIRECTOR

Somerset c£35,000 + Car + Benefits + Equity Opportunity

For further information contact: Accountancy Personnel, 38 King Street, Bristol BS1 4DZ. Tel: 0272 239611.

The Hill Leigh Group engaged in timber importing and distribution, timber and builders merchanting and high quality joinery manufacturing, recently the subject of a management "buy-in", now seeks a finance director to join its dynamic group board.

If your accounting and other academic qualifications together with your drive, track record, technical ability and interpersonal skills suit you to this rare opportunity, please send a full cv, together with a letter of application in your own handwriting.

HOVERS(UK) LTD

FINANCIAL ACCOUNTANT

Huddersfield From £18,000 + Benefits

For further information contact: Accountancy Personnel, Manor Buildings, 2 Manor Row, Bradford BD1 4NL. Tel: 0274 737066.

Hovers(UK) Limited is a subsidiary of Hovers GmbH, a leading name in the highly competitive freight forwarding and distribution industry.

Following an exciting period of organic growth and acquisition, a challenging role is now on offer to a qualified, commercially-minded accountant who can effectively demonstrate strong management and interpersonal skills. Reporting directly to the Financial Director, your responsibilities will be varied, ensuring and actively involved in the smooth running of the computerised accounts function of five Hovers subsidiary companies.

In return for your commitment, energy and enthusiasm, a generous remuneration package is offered including attractive benefits, along with genuine prospects in this progressive environment.



FINANCIAL DIRECTOR

West Midlands c£26,000 + Car

For further information contact: Accountancy Personnel, 14 Temple Street, Birmingham B2 2SQ. Tel: 021 643 8201

Future developments offer enormous potential for our client a progressive industrial based subsidiary of a leading UK PLC. You will undoubtedly seek to take advantage of this exciting opportunity as a career minded, self motivated individual of calibre.

To meet the challenge you will work closely with the Managing Director specialising in Financial Controls and raising commercial awareness throughout the company. This executive post offers outstanding prospects for future career progression.

Accountancy Personnel

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A HAYS PERSONNEL SERVICES LIMITED COMPANY

Financial Directors

To secure the best appointments at senior level needs more than good advice, it needs objectives and success presentation. We not only provide career advice to successful executives but also a unique facility to bridge the critical gap between counselling and the right job. Our unique data base of unadvertised vacancies is generated equally by search and selection consultants and employers, providing access to over 6,000 unadvertised vacancies per annum and to the only confidential employment service.

If you are considering a move or need a new challenge - telephone for an exploratory meeting, without obligation.

Inter-Exec SMI Plc, Lansdown House, 19 Charing Cross Road, LONDON WC2H 0ES. Telephone: 01-930 5041

Senior Financial Managers

Financial Director Designate

Quoted Group in Cardiff requires an experienced Chartered Accountant who, within a short time, will prove himself suitable for appointment as Financial Director. This will involve responsibility for all financial and accounting functions including systems implementation. The Company is expanding rapidly and needs someone of knowledge, initiative and ability to assist its future growth.

Please reply fully to Box A1264, Financial Times, One Southwark Bridge, London SE1 9HL

Finance Director

EAST MIDLANDS, £50,000 PACKAGE + CAR

As one of the fastest growing, market led DIY companies in the UK, Plasplugs designs and manufactures a range of over 200 products including power tools, electric based products, fuses, and filing tools. In addition to the UK market, sales are expanding rapidly in export markets, particularly through the American subsidiary and European outlets. Turnover has doubled in the last year to £15m and the rapid rate of growth is planned to continue as the international aspects of the group develop.

A strong Finance Director is now needed to play a key role in company strategy development and to advise senior colleagues

on the financial implications of their decision making and long term planning. Close liaison with financial institutions and bankers is an integral part of the role. You are likely to be in your early 40s, a graduate Chartered Accountant with commercial acumen and you should be able to respond to working in a challenging and fast moving environment. Experience of a well known firm's business where marketing plays a key role in the business strategy but which also encompasses a manufacturing facility would be a considerable advantage. As a person you should be strong in character and possess good communication skills.

This is a unique opportunity to become involved with a fast growing, high profile company where the only limitation will be your own ability to keep pace with the growth envisaged.

Please send your CV, to include a day time telephone number and details of salary progression, to John Elliott, Coopers & Lybrand Executive Resourcing Limited, 43 Temple Row, Birmingham B2 5JT, quoting reference JE157.

Executive Resourcing
Coopers & Lybrand

Financial Executive/ General Manager

£45,000 plus car and profit share
London

A major international group with a strong financial base and wide overseas connections operates an import and export company and a real estate company in London. The businesses have been growing steadily since their commencement 8 years ago and now wish to appoint a senior executive.

The successful candidate will report to the Group Chairman and have a key input to strategy setting and business development as well as

responsibility for overseeing the operations of the two companies.

Owing to the high profile nature of the appointment, our client is looking for mature candidates (aged about 50) who have already made their mark as forward-thinking financial entrepreneurs. You should be a qualified accountant, preferably chartered, with proven experience as head of a finance function and exposure to strategic planning, bankers and other advisers.

Experience in import and export and/or real estate is desirable.

This is an excellent opportunity for an enthusiastic accountant to head up a small but developing enterprise within a successful group.

Please write with a full CV, quoting reference MCS/7018 to Miles Holford Executive Selection Division Price Waterhouse Management Consultants No. 1 London Bridge London SE1 9QL

Price Waterhouse



APPOINTMENTS

ADVERTISING

For further information

call 01-873 3000

Deirdre McCarthy
ext 4177

Paul Maraviglia
ext 4676

Elizabeth Rowan
ext 3456

Patrick Williams
ext 3694

Candida Raymond
ext 3351

FRUSTRATED ACCOUNTANT WANTED - are you fed up with being "just an accountant", and would like to play an active role in helping me manage my small but very successful business? I need a capable right hand man/woman to be in complete control in my absence. If you can deal with suppliers, sales, representatives, and monthly management accounts, and live near to Ealing, send details to Box 4107, Financial Times, One Southwark Bridge, London SE1 9UL.

Financial Controller Institutional Fund Management

London W1 £55,000 + benefits

This is an exciting opportunity to join a small but highly successful team of international fund managers, with impeccable credentials. The company already manages portfolios on behalf of a broad range of major world-wide institutions, and has significant growth plans.

Reporting to the Managing Director, you will be expected to take control of, and be responsible for, all financial, administrative and computer aspects of the company.

You will have a good degree, and a chartered accountancy qualification. You will now be looking for a chance to utilise your breadth of skills in a dynamic and growing company.

You must have a proven record of success at a senior level, in a fast-moving environment, preferably in financial services. You will be adept at handling and developing computer systems, a meticulous administrator and be able to handle compliance with regulatory bodies.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref 3040, to Bruce McKay, Executive Selection Division.

Touche Ross

Thames Inn House, 3/4 Holborn Circus, London EC1N 2HB. Telephone: 01-353 7361.

FINANCIAL CONTROLLER

London c.£30,000 + Car and Benefits

Comtext International is a fast growing, £5m, telecommunications service company with large and small clients throughout the world. Our products are message handling media including telex, fax and electronic-mail. We are embarking on a network development programme through a combination of internal growth and acquisition.

Reporting to the Chief Executive, you will be responsible for the financial administration and secretarial activities, ensuring that effective control systems manage the efficient use of working capital, particularly cash. You will be a key person in the management team participating in the day to day decisions shaping the progress of the company.

Candidates will be qualified accountants, capable of both tight hands-on management of a small accounts department whilst maintaining the commercial awareness to support senior management in its demanding development programme. You will have previously successfully managed a finance function.

An excellent remuneration package will be negotiated and will include benefits normally associated with an appointment at this level.

Interested applicants should write enclosing their curriculum vitae and daytime telephone number to Mr A. C. Gale, Director, Comtext International Ltd, 15-27 Gee Street, Goswell Road, London EC1V 3RE.

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COMTEXT INTERNATIONAL LTD

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mastering change with professional skills

£24K-£30K + bonus + car

Cambridge

Acorn Computers leads the market with its extensive range of high-performance microcomputer-based systems. A USM listing, a turnover of £40 million and a healthy balance sheet reflect the professionalism of positive financial management in a climate of continual change.

We need an experienced Chartered Accountant who will be responsible for the operational management of the finance function and to assist the Financial Director in strategic planning and budgeting. You will need the technical skills gained from one of the 'big 8' to ensure that the professionalism of the finance function is maintained and that new developments are implemented which meet the operational requirements of the future. Ideally you will have a high-tech background within a commercially driven company.

You will need to have experience of staff management and have the necessary skills to motivate both professional and support staff. To recognise these skills and challenges, Acorn will reward you with an excellent package and benefits. Apply now by sending a full CV to:

Jackie Arthur
Personnel Department
Acorn Computers Limited
Fulbourn Road
Cherry Hinton
Cambridge
CB1 4JN

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The choice of experience.

Financial Manager

Prestige Architectural Practice

Central London £32,000 + car & pension

This highly successful, award-winning practice is involved in major and prestige projects, many of which are landmarks in the Capital. Forty professional staff are supported by a small and enthusiastic backup team on building projects valued from £.5 million to £70 million.

As Financial Manager, a new role reporting to the principal Partners, you will provide hands-on expertise to enable the firm's continuing growth. You will have a broad role: all finance and accounts matters, including computerisation; the financial and documentation aspects of contracts; as a priority, selection and implementation of MIS; strategic planning; taxation and company secretarial requirements.

A qualified accountant, 28-32, with around three years commercial p.q.e., you will be comfortable in an informal professional office and capable of defining computer needs and controlling the implementation of systems. The remuneration package includes a fully maintained car and pension, with potential for equity participation.

Please reply in confidence, giving full career and salary details and a daytime telephone number, and quoting reference 1587 to Barbara Robertson, or call her on 01-583-3303.

BDO BINDER HAMLYN
BDO Binder Hamlyn Management Consultants
8 St. Bride Street, London EC4A 4DA

Finance Director

Surrey c£34,000 + Car

Pending retirement creates an opportunity for an experienced and qualified accountant with a manufacturing background to join a progressive chemical manufacturing company with a turnover in the UK approaching £130m.

Reporting to the MD, the Finance Director takes full control of the UK company Finance and IT functions within a highly computerised multinational structure.

Applicants, aged 35-50, will be professionally qualified and have broad based experience covering financial and management accounting, budgetary control, taxation and treasury. Considerable experience of computer systems is vital as the job holder is responsible for driving a very comprehensive UK IT programme.

Excellent terms and conditions of employment include fully expensed executive car, free life insurance and pension, free medical insurance and generous relocation expenses.

For an application form please telephone or write to:
UK Personnel Manager,
Akzo Chemicals Limited,
1-5 Queens Road,
Hersham,
Wilton-on-Thames,
Surrey KT12 5NL.
Tel: (0932) 247891



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+ fully expensed prestige car

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(24 hour answer service)
Fax: 0993 702042

With the Head Office close to the junction of the M25 and M3 my client, a highly visible and fast expanding independent subsidiary of a major UK trading group, has firmly established a reputation for providing a range of top quality vehicle finance and management services to some of the country's best known companies. Their standards of excellence, developed by a highly motivated enthusiastic young management team, has created a solid foundation from which a successful market leading position has been achieved with consequential levels of business growth.

To strengthen the management team a key new position has been identified for a professionally qualified accountant, to take control and develop the computerised accounting and management information systems.

Candidates, ideally aged 28 - 40 years, will possess the personality and experience necessary to integrate into and complement a highly demanding hard working dynamic young 'hands on' team. The key to success is the strength of character and experience required to operate successfully at board level, contributing to the company's development and acquisition strategy and taking responsibility for the general accountancy functions which includes, management accounting, payroll and pensions, credit control, tax computation, preparing end of year accounts, advising upon corporate taxation policies and investment planning, as well as negotiating with major financial institutions.

If you are seeking a rewarding, interesting and challenging career opportunity with a fast expanding innovative young company, contact John Taylor, Confidentially, for an initial discussion, further information or an application form. Should you prefer to forward your own CV please include a daytime telephone number and current salary.

SETTING PROFESSIONAL STANDARDS FOR RECRUITMENT

FINANCE DIRECTOR

(Designate)

Gtr Manchester/Merseyside to £30,000 + car + benefits

The pursuit of excellence has been the cornerstone of our client's philosophy since the formation of the company in 1982. Their complete dedication to professionalism and high quality service has gained them an enviable reputation, with an impressive client list and turnover approaching £7m.

The Managing Director of this business needs to take a number of key decisions to set the company's course into the 1990's. An important element in this plan is to strengthen the contribution to achieving ambitious profit and performance goals.

The brief will be demanding. Essentially you will provide a commercial advisory service to the Managing Director. This will incorporate cash and balance sheet management, short and long-term planning - including acquisition and investment appraisals, developing improved accounting systems and pursuing a vigorous strategy of improvement where necessary. You will also control an able accounting team.

To handle this role you will be an experienced and talented accountant with well developed skills in these areas - financial reporting, commercial acumen and interpersonal communications. You should be qualified, probably in your thirties, ideally with experience within a construction, service-oriented environment.

If you meet the challenge successfully, you will find that your prospects are outstanding.

Please contact Linda Gaskell at our Liverpool office on 051-236 9373 or Audrey Shaw at our Manchester office on 061-834 0618, quoting ref. L147

ASB

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June 1989

THE DAI-ICHI KANGYO BANK, LIMITED
(Incorporated with limited liability in Japan)

U.S.\$300,000,000
3 7/8 per cent. Convertible Bonds Due 2004

ISSUE PRICE 100 PER CENT.

DKB International Limited

Merrill Lynch International Limited	Morgan Stanley International
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CL-Alexanders Latag & Cratchaek	Dai-ichi Kangyo Bank (Schweiz) AG
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Deutsche Bank	Robert Fleming & Co. Limited
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Banque Internationale à Luxembourg S.A.	Baring Brothers & Co., Limited
BNP Capital Markets Limited	CECIB International Bank
Commerzbank	Credit Commercial de France
Commerzbank Vireas Capital Markets Group	Edinburgh Banking Limited
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(This advertisement appears as a matter of record only.)

June 1989

THE DAI-ICHI KANGYO BANK, LIMITED
(Kabushiki Kaisha Dai-ichi Kangyo Ginko)

Tokyo, Japan

DM 200,000,000
2 7/8% Convertible Bearer Bonds 1989/1996

Issue Price 100%

DKB International Limited

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Deutsche Bank Augsburg/Regensburg	Morgan Stanley GmbH	Nippon Kangyo Kosatsu (Europe) Limited
Nomura Europe GmbH	Westdeutsche Landesbank Girozentrale	
Banque Paribas Capital Markets GmbH	BNF-Bank	
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(This advertisement appears as a matter of record only.)

June 1989

THE DAI-ICHI KANGYO BANK, LIMITED
(Kabushiki Kaisha Dai-ichi Kangyo Ginko)

Tokyo, Japan

Listing of the Shares of Common Stock on the
Swiss Stock Exchanges

Credit Suisse

Union Bank of Switzerland Swiss Bank Corporation

Dai-ichi Kangyo Bank (Schweiz) AG
(Arranger)

Swiss Security Number: 764,820

Swiss Francs 300,000,000
1/2 per cent. Swiss Franc
Convertible Bonds due September 30, 1993

lead managed by
CREDIT SUISSE

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Credit Suisse	Swiss Bank Corporation
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Bank Völkbank	Bank Julius Bär & Co., Ltd.	Bank Hofmann Ltd.	BSI - Banca della Svizzera Italiana	Deutsche Bank (Schweiz) S.A.	Commerzbank (Schweiz) Ltd.	Dresdner Bank (Schweiz) Ltd.	Mitsubishi Bank (Schweiz) Ltd.	Paribas (Schweiz) Ltd.	Swiss Bank Corporation
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(This advertisement appears as a matter of record only.)

June 1989

THE DAI-ICHI KANGYO BANK, LIMITED
(Kabushiki Kaisha Dai-ichi Kangyo Ginko)

Tokyo, Japan

Swiss Francs 600,000,000
Zero Coupon Swiss Franc
Convertible Notes due September 30, 1993

lead managed by
CREDIT SUISSE

underwritten by

CREDIT SUISSE

Dai-ichi Kangyo Bank (Schweiz) AG	Nomura Bank (Schweiz) Ltd.
Nippon Kangyo Kosatsu (Schweiz) AG	Yasuda Bank (Schweiz) Ltd.
The Nippon (Schweiz) Finance Co. Ltd.	Daten (Schweiz) Ltd.
Chuo Trust Finance (Schweiz) Ltd.	Mitsui Trust Finance (Schweiz) AG
Bank Julius Bär & Co. AG	Banque Paribas (Schweiz) S.A.
Merrill Lynch Capital Markets AG	Schweizerische Volksbank
Wirtschafts- und Privatbank	Morgan Stanley S.A.
S. G. Warburg Sothe SA	BSI - Banca della Svizzera Italiana
Banque Cantonale Vaudoise	Deutsche Bank (Schweiz) S.A.
Royal Trust Bank (Schweiz) Ltd.	Westdeutsche Landesbank (Schweiz) AG
Zürcher Kantonalbank	Bank Lou AG
Banque Kleinwort Benson SA	Baring Brothers S.A.
Banker Kantonalbank	Chisrop Investment Bank (Schweiz) Ltd.
Commerzbank (Schweiz) AG	Finster Bank Zürich
Hendelbank NeWest	Lombard, Odier & Co.
Nordbank Bank Zürich	J. Henry Schroder Bank AG
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June 1989

THE DAI-ICHI KANGYO BANK, LIMITED
(Kabushiki Kaisha Dai-ichi Kangyo Ginko)

Tokyo, Japan

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3/4% Convertible Notes 1989-1993

Issue Price 100%

Dai-ichi Kangyo Bank (Schweiz) AG

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To the Holders of WARRANTS To subscribe for shares of common stock of SANYO-KOKUSAKU PULP CO., LTD.

(Issued in conjunction with an issue by Sanyo-Kokusaku Pulp Co., Ltd. (the "Company") of U.S. \$130,000,000 3 1/8% Guaranteed Notes due 1992) ADJUSTMENT OF SUBSCRIPTION PRICE Pursuant to Clause 4 of the instrument dated September 10, 1987...

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY on behalf of SANYO-KOKUSAKU PULP CO., LTD.

Dated: June 15, 1989

U.S. \$110,000,000 Azienda Nazionale Autonoma delle Strade Floating Rate Note Due 1990. By virtue of existing legislation direct and unconditional general obligations of The Republic of Italy. For the six months 16th June 1989 to 18th December 1989.

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U.S. \$200,000,000 Compagnie Financière de Crédit Industriel et Commercial Floating Rate Note Due 1997. Notice is hereby given that the interest payable on the relevant Interest Payment Date, November 15, 1989 for the period May 15, 1989 to November 15, 1989 against Coupon No. 9 in respect of US\$50,000,000 nominal of the Notes will be US\$2,302.26.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY: Indexes of industrial production, manufacturing output (1985=100); engineering orders (£ billion); retail sales volume (1985=100); retail sales value (1985=100); registered unemployment (excluding school leavers) and unfilled vacancies (000). An seasonally adjusted.

Table with 7 columns: Month, Ind. prod., Eng. output, Retail vol., Retail value, Unempl., Vacancies. Rows for 1988 (1st-12th) and 1989 (1st-5th).

OUTPUT: by market sector: consumer goods, investment goods, intermediate goods (materials and fuels), engineering output, metal manufacturing, business leather and clothing (1985=100); housing starts (000, monthly average).

Table with 7 columns: Month, Consumer goods, Invest. goods, Intermed. goods, Metal, Business leather, Clothing, Housing starts. Rows for 1988 and 1989.

EXTERNAL TRADE: Indexes of export and import volume (1985=100); visible balance current balance (£m); all balance (£m); terms of trade (1985=100); official reserves.

Table with 7 columns: Month, Export vol., Import vol., Visible balance, Current balance, Terms of trade, Reserves. Rows for 1988 and 1989.

FINANCIAL: Money supply M0, M1 and M3 (annual percentage change); bank sterling lending to private sector; building societies' net inflow; consumer credit; all seasonally adjusted. Charing Bank base rate (end period).

Table with 7 columns: Month, M0, M1, M3, Lending, Consumer credit, Building societies, Charing Bank rate. Rows for 1988 and 1989.

INFLATION: Indexes of earnings (1985=100); basic materials and wholesales prices of manufactured products (1985=100); retail prices and food prices (1987=100); Reuters commodity index (1981=100); trade weighted value of sterling (1975=100).

Table with 7 columns: Month, Earnings, Basic materials, Wholesale prices, Retail prices, Food prices, Commodity index, Sterling index. Rows for 1988 and 1989.

All seasonally adjusted. * That changes in amounts outstanding, excluding bank loans.

INTERNATIONAL RESIDENTIAL PROPERTY ADVERTISING. Appears every Saturday. For further details please contact: Clive Booth, Tel 01 873 4915 Fax 01 873 3063.

INTERNATIONAL CAPITAL MARKETS

New-issue activity slows ahead of US trade data

By Andrew Freeman. NEW-ISSUE activity contracted sharply on the Euro markets yesterday, ahead of today's US trade deficit figure for April. Although few straight maturity deals emerged, there was a welcome reopening of the longer-dated Ecu sector which had a strong reputation.

The Ecu150m 10-year deal was brought for Caisse National des Antorites (CNA) by Paribas Capital Markets Group. The French government-guaranteed bonds carried an 8% per cent coupon and were priced at 101 3/4. Specialist managers reported excellent institutional demand, and several expressed frustration that they could have sold much more paper than they were allocated.

"This is just the right deal," said one trader. "If it had been Ecu300m it would still have sold well." The lead manager was quoting the bonds at less 1.65 bid, well inside underwriting commission of 2 per cent.

Long-dated Ecu bonds performed strongly on the secondary market yesterday, rising by 1/2 point amid talk that the revision of the Ecu currency basket might be announced next Monday.

The issue proceeds were unwrapped as fixed funding rates were attractive. CNA is one of the few borrowers which

Banks warn Switzerland on excessive regulation

SWITZERLAND could endanger its role as a financial centre by over-regulating financial markets, the Association of Foreign Banks in Switzerland warned yesterday, Reuters reports.

Noting government plans to tax fiduciary accounts, extend banking regulations to cover financial companies and outlaw money-laundering, the association said Swiss authorities could drive banking customers to other centres.

"Everyone in the world is talking about deregulation of financial markets. But are the discussions in Switzerland not primarily about new rules and regulations, expanding government influence and lifting financial costs?"

The association also welcomed the creation of a new supervisory body and the granting of powers to its cartel commission to review bank lending practices, the association said, stressing that today's banker was more concerned about performance than the prestige that accompanied a Swiss address.

"A long tradition and a good reputation alone will not suffice in the future to win market participants for a financial centre."

The association welcomed the cartel commission's recent call for more competition among banks, and criticised government raising costs via an overseas break-up of voluntary price-fixing agreements.

"In the long run, a soft sharpening of competition makes more sense than a rash abolition of existing agreements which serve the security of banks and the entire financial system."

The association rejected the government's plan to make up for lower stamp taxes on securities transactions by taxing fiduciary accounts, a step which "would draw capital out of the country."

Swiss limits on professional services for lawyers acting as financial administrators had always an adviser and managers to shift funds to Liechtenstein and Luxembourg, it said.

The total assets of foreign banks and finance companies combined grew to Sfr132.4bn (\$75.6bn) in 1988, from Sfr115.1bn a year earlier, representing 15.7 per cent of all assets in the Swiss banking system.

NEW INTERNATIONAL BOND ISSUES

Table listing bond issues with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner. Includes entries like Bayern AG, City of Copenhagen, etc.

FT INTERNATIONAL BOND SERVICE

Table listing bond prices with columns: Bond Name, Bid, Offer, Day, Week, Yield. Includes entries like US \$100,000,000, etc.

MITSUBISHI TRUST AUSTRALIA LIMITED Sydney. A\$ 60,000,000 18 1/4 % Bonds due 1990. List of participating banks including Westdeutsche Landesbank, Bayerische Landesbank, BNP Capital Markets, etc.

SWEDISH INDUSTRY. The Financial Times proposes to publish this survey on: 30th June 1989. For a full editorial synopsis and advertisement details please contact: Chris Scheinman on 01-873 3428. INTERNATIONAL CONFERENCES & EXHIBITIONS. The Financial Times proposes to publish this survey on: 17 JULY 1989. For a full editorial synopsis and advertisement details please contact: JEREMY BAULF on 01-873 3069.

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Carnaud S.A.

Carnaud merged with
Metalbox Packaging
to form CMB Packaging S.A.

The undersigned acted as joint advisers
to Carnaud

Lazard Frères et Cie

Lazard Brothers &
Co., Limited

Thorn-EMI PLC

Thorn-EMI acquired
Holophane S.A.

The undersigned acted as joint advisers
to Thorn-EMI

Lazard Frères et Cie

Lazard Brothers &
Co., Limited

BSN S.A.

BSN acquired
HP Foods and Lea & Perrins
from Hanson plc

The undersigned acted as joint advisers
to BSN

Lazard Brothers &
Co., Limited

Lazard Frères et Cie

Les Echos

Pearson plc acquired
Les Echos

The undersigned acted as adviser
to the shareholders of
Les Echos

Lazard Frères et Cie

**Société Centrale de l'Union des Assurances
de Paris**

UAP International acquired
an 18% interest in Sun Life

The undersigned acted as adviser
to UAP International

Lazard Frères et Cie

Pearson plc

Lazard Brothers advised Pearson in
the sale of its majority holding in
Société Civile du Vignoble de Château
Latour to Allied Lyons PLC

The undersigned acted as adviser
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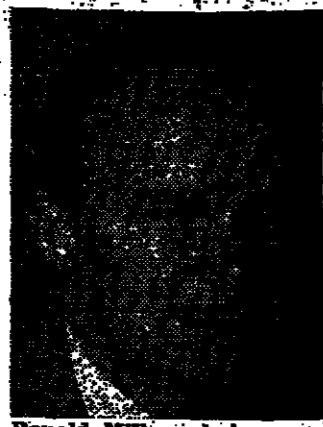
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UK COMPANY NEWS

Dawson Intl in line for upturn after 8% fall

By Philip Coggan
A COMBINATION of last year's strong pound, the mild winter and rising raw material costs resulted in pre-tax profits at Dawson International...



Ronald Miller, chairman of Dawson International, Chinese complications

ture for the year was £18.2m and together with the effect of higher raw material costs on working capital, there was a trading cash outflow of £15.4m over the year. Net borrowings were £41.8m at the end of the year...

TGI exceeds forecasts with 65% rise to £4.2m

By Edward Sussman
TGI, the audio and consumer electronics company which came to the market in January 1988, increased pre-tax profit by 65 per cent from £2.56m to £4.22m in the year to March 31.

Norton Opax improves to £14.7m

By Clay Harris
NORTON OPAX, the security printing and specialist packaging group, yesterday reported pre-tax profits of £14.7m for the six months to March 31.

than, quadrupled to £3.03m. Buoyed by unexpectedly strong results from Brazil, sales outside the UK accounted for 33 per cent of the total...

Industries which subsequently said it had no present intention of mounting a bid. The companies have had only one meeting since the stake changed hands...

COMMENT
Norton is one of the first companies to suffer the cosmetic displacement of SSAP 24. In the absence of the new standard, pre-tax profits would still be on course for £38m...

Loss of contract forces factory closure

By Andrew Hill
THE LOSS of a £5m contract with Barclays Bank earlier this year has forced Norton Opax to close its Basingstoke cheque-printing factory...

director of UK operations, said: "We obviously evaluated all other alternatives, but there was a certain sense of inevitability."

McCorquodale Security Printers (Basingstoke) will be distributed between Norton's other cheque plants in Crewe and Manchester...

attractive pitch for the largest order of cheques. But the bank decided to split the contract between five suppliers...

CE Heath continues on the road to recovery

By Nick Banker
CE HEATH, the London-based insurance broker and underwriter, raised pre-tax profits 20 per cent to £24.1m last year.

total full-year dividend marginally from 25.675p to 25.875p. COMMENT
For much of the last two years, Heath's share price performance was undermined by fears of a rights issue...

Table with columns: High, Low, Company, Price, Change, Div, Yield, P/E. Includes titles like 'Sponsored Securities' and 'Granville'.

INTERNATIONAL TELECOMMUNICATIONS
The Financial Times proposes to publish this survey on: 17 JULY 1989
For a full editorial synopsis and advertisement details, please contact: JEREMY M. BAULF on 01-873 4026...



Born to lead

NFC announces the first new logistics company designed for the 1990s

If distribution is important to your business, the next decade will bring its own new opportunities - and problems. To help you exploit the one and solve the other, NFC has created a major new company: EXEL Logistics.

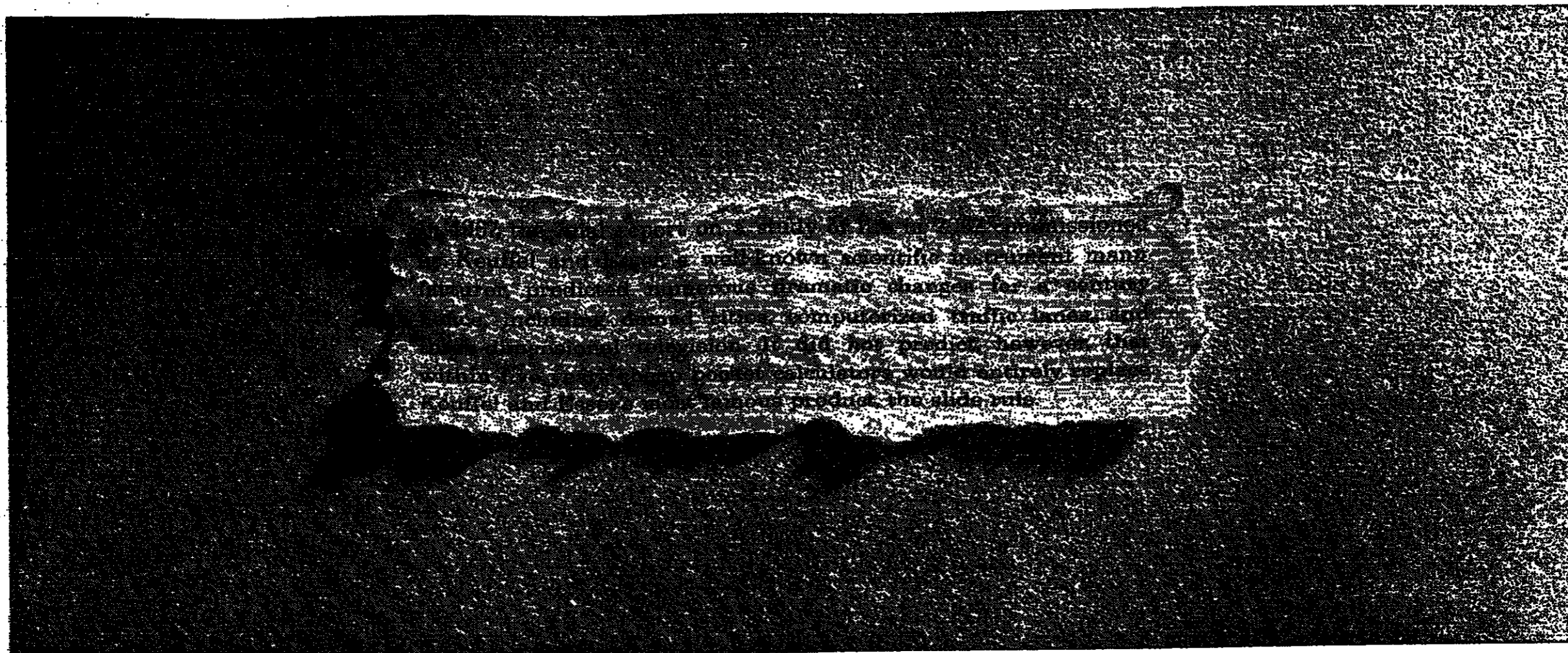
Handling logistics for many of the biggest names in British manufacturing and retailing, the new company starts with an annual turnover of some £300 million.



EXEL Logistics have expertise in every aspect of the distribution chain, from warehousing and vehicle design to sophisticated information technology.

When you're looking for a more intelligent approach to distribution in Britain or the USA and now in Europe - anywhere - talk to EXEL Logistics, leading the way to tomorrow's opportunities.

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THE FUTURE

In fact, winners always look to the future and always

DOESN'T HAPPEN TO

question everything. And, that way, they keep one step

SOMEONE ELSE.

ahead of their competitors. But keeping ahead costs

money – you may want to develop new markets, expand

IT'S GOING TO HAPPEN

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INVESTORS IN INDUSTRY

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Financial Times

UK COMPANY NEWS

Litigation over new FT building hits profits by some £4m

Regalian meets City estimates with £25.5m

By William Cochrane

THE DEPRESSED residential property market in Central London, balanced by successful diversification into commercial development, resulted in Regalian Properties announcing pre-tax profits £2.9m higher at £26.8m for the year to March 31.

Southwark Bridge. Mr Goldstone said that profits, otherwise, would have been nearer £30m. Over the last eighteen months, Regalian has pre-let, or pre-sold more than £250m worth of commercial developments comprising in excess of 850,000 sq ft gross.

Commercial activities include a £600m mixed scheme at Heron Quays, to be developed in conjunction with the Canary Wharf project being undertaken in London's Docklands by Olympia & York, the Canadian property developer.

With regard to the residential market, Regalian said that the current interest rate environment gave cause for concern, particularly in London and the south east.

Turnover improved to £35.27m (£32.71m). Earnings amounted to 22.4p (24.8p) and a proposed final dividend of 1.625p raises the total from 2.125p to 2.5p.

Salvesen held back to 12% rise at £52.4m

By John Riddling

CHRISTIAN SALVESEN, the diversified food distribution and industrial services group, recorded a 15 per cent increase in pre-tax profits from £17.56m to £20.14m in the year to April 1.

Waddington ahead despite problems on plastics side

By John Thornhill

JOHN WADDINGTON, the packaging, printing, plastic cutlery and games group, recorded a 15 per cent increase in pre-tax profits from £17.56m to £20.14m in the year to April 1.

Mr Watson said management changes had been made at both companies and the results were improving. Three acquisitions were made during the year but their contribution to profits was negligible, he said.

Cape advances 42% to £13.6m

CAPE INDUSTRIES, the building products and industrial contracting company 68.9 per cent-owned by Charter Consolidated lifted pre-tax profits 42 per cent from £9.55m to £13.67m in the year to March 31. Turnover at this former asbestos 'maker' rose from £146.45m to £153.32m.

Mr Jeffrey Herbert, chairman, said that trading conditions had continued to be buoyant and that all sectors of the UK operations had benefited from the mild winter. As a result, there had been a strong finish to the year.

Turnover increased to £14.6m (£11.5m), but the compensation paid for industrial disease was static at £1.25m. Receivable interest rose to £1.32m (£122,000). After tax almost doubled to £1.76m, earnings came out at 22.8p (17.7p) at the basic level and 22.1p (16.1p) fully diluted.

Downturn at Cropper

PROFITS OF James Cropper, the paper manufacturer, fell from £2.06m to £1.56m pre-tax for the year to April 1. The directors said that although the figures were marginally down on the previous year's record, profitability had been maintained at a time when raw material and interest costs had escalated rapidly.

Turnover improved to £35.27m (£32.71m). Earnings amounted to 22.4p (24.8p) and a proposed final dividend of 1.625p raises the total from 2.125p to 2.5p.

Marinex slips into £50,000 loss

MARINEX Petroleum, the independent oil and gas exploration, development and production group, fell to losses of £50,000 in the six months to March 31. In the year to September 30 1988 it achieved profits of £110,000.

period under review reflected the level of operational activity at Humble Grove, Dorset. The company expects that the costs incurred there will be more than matched by increased productivity in the future. Turnover was £286,000 and the taxable figure was struck after receivable interest of £168,000 and other operating expenses of £217,000.

Oceana Dev

An increase from £507,000 to £580,000 in investment income was reflected in an 88 per cent rise in pre-tax profits of Oceana Development Investment Trust for the year to March 31. The company, a subsidiary of Symphony and a concert party, benefited from an enlarged proportion of fixed income securities held in its portfolio. The dividend is increased to 5.5p (2.2p).

Chemring advances 8%

CHEMRING GROUP, the Portsmouth-based electronics and defence equipment manufacturer, returned pre-tax profits of £2.25m for the half year ended March 31, an improvement of 6 per cent over last time's £2.12m.

Turnover increased from £2.12m to £2.25m. Earnings rose to 7.5p (£5.74m).

Sheriff turns in £384,000

SHERIFF HOLDINGS, the Midlands-based plant hire company which came to the USM this January, returned pre-tax profits of £384,000 for the six months to March 31. The taxable figure for the 12-month period to March 31 1988 was £395,000.

placed to benefit from the recently announced improvements in the UK's road infrastructure. High interest rates, he suggested, might further underline the attractions of hiring rather than buying.

THE GARDINER GROUP PLC Interim Results table with columns for Six months ended 30 April 1989, 30 April 1988, and Year ended 31 October 1988. Rows include Turnover, Profit before tax, Earnings per share, and Dividends.

INTERNATIONAL COURIER & EXPRESS SERVICES. The Financial Times proposes to publish a Survey on the above on JULY 19 1989. For a full editorial synopsis and advertisement details, please contact: NEVILLE WOODCOCK.

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COMMODITIES AND AGRICULTURE

Zinc supply forecast to stay tight

By Kenneth Gooding, Mining Correspondent

THERE HAS been a dramatic shift in focus within the zinc industry in the past 18 months...

Last year there was a deficit in the supply of primary metal compared with demand in the non-communist world...

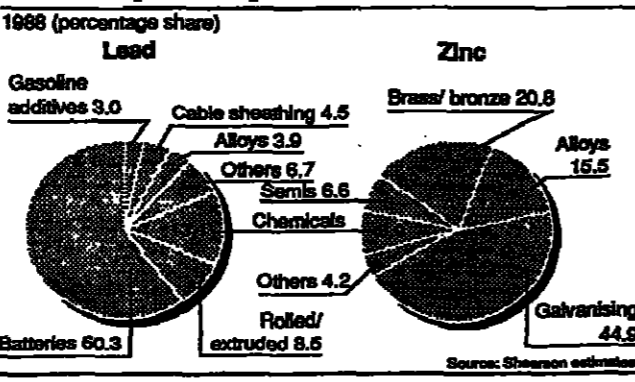
Brazil suspends coffee export stamp auction

MR JORIO DAUSTER, president of the Brazilian Coffee Institute (IBC), suspended a monthly auction of export rights...

India plans fourth exploration round

INDIA EXPECTS to launch a fourth round of bidding for oil exploration licences by foreign companies...

Consumption by end-use



supply. Shearson expects zinc prices to trend downwards as the bull market in base metals comes to an end.

double the level recorded in 1987. Shearson has assumed in its forecasts that the world economy will make a 'soft landing'...

Strike halts Belgian copper shipments

By Kenneth Gooding, Mining Correspondent

WESTERN EUROPE'S biggest copper producer, Metallurgie Hoboken-Overpelt (MHO), part of Belgium's Union Minière group...

The LME cash price for Grade A copper closed yesterday at \$1,685.50 while three-month metal increased by 24.50 to \$1,695.50.

Gill & Duffus boosts cocoa surplus estimate by 55 per cent

By David Blackwell

GILL & DUFFUS, the London trade house, has dramatically increased its estimate of the world cocoa surplus for the current season.

Production is now likely to exceed consumption by 308,000 tonnes, according to the company's latest cocoa market report.

tonnes, 300,000 tonnes higher than in 1987-88. Gill & Duffus has made a small downward revision to the groundings estimate...

West African cocoa 'has left a permanent impression on the industry's buying strategy, and so many companies' recipes will almost certainly continue to use Malaysian cocoa in significant quantities'.

Saudi oil find confirmed viable

By Finn Barre in Riyadh

A NEW oil well south of Riyadh has confirmed the existence of a commercially viable Saudi Arabian field in a region that up until now has yielded no petroleum.

half that level. That means that the well may not be major find, but it is certainly commercially viable.

province and Rhab Al-Khali, which had oil reserves estimated at some 250m barrels.

Lords told nitrate curb fears overstated

By Bridget Bloom, Agriculture Correspondent

BRITISH FEARS that the most productive farmland in East Anglia would have to be sown to grass if nitrate controls proposed by the European Commission were implemented were greatly exaggerated, a senior commission official suggested yesterday.

by more than 4 per cent and would have had a significant effect on profits because of reduced costs.

from nitrate pollution and to ensure that the EC's existing general limit of nitrate in drinking water of 50 parts per million are not exceeded.

India plans fourth exploration round

By David Housego in New Delhi

INDIA EXPECTS to launch a fourth round of bidding for oil exploration licences by foreign companies by the end of the year, officials have disclosed.

Mr Khan said no decision on that had yet been taken. But BP was understood to have been told that the Government intended to open up offshore areas to foreign companies as well.

ral Gas Commission under which it will help the Indian company in seismic and survey work in the northern Himalayas belt.

OECD says farm support down 5%

By Bridget Bloom

SUPPORT FOR agriculture by the governments of the industrialised world fell by 5 per cent last year compared with 1987 but this was due to policy changes but not to random factors which are not likely to be repeated, according to a report from the 23-member Organisation for Economic Co-operation and Development.

agricultural commodities, principally because of the North American drought in the case of cereals and the European Community's milk production quotas in the case of dairy products.

In total, just over \$157bn was spent on government farm support, down from the equivalent levels of 1986 and 1987 but much higher than the 1984-85 level of about \$100bn.

LONDON MARKETS

Table with columns for Commodity, Price, Change, and Date. Includes Tin prices, Brent Blend, Oil products, and various metals.

COCOA 25,000 lbs/can

Table with columns for Date, Price, and Change. Includes COCOA 25,000 lbs/can and COCOA 10,000 lbs/can.

LONDON METAL EXCHANGES

Table with columns for Commodity, Price, and Change. Includes Aluminium, Copper, Lead, and Zinc.

LONDON OIL MARKETS

Table with columns for Commodity, Price, and Change. Includes Gas Oil, Heating Oil, and Fuel Oil.

US MARKETS

Table with columns for Commodity, Price, and Change. Includes Gold, Silver, and various metals.

Chicago

Table with columns for Commodity, Price, and Change. Includes Soybeans, Corn, and Wheat.

NEW YORK

Table with columns for Commodity, Price, and Change. Includes Gold, Silver, and various metals.

Handwritten signature or mark at the bottom of the page.

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Fund Managers, and others, including their respective managers and details.

Table listing unit trusts including CCL Unit Trusts, CIBC Unit Trust Managers, and others, with columns for trust name and details.

Table listing unit trusts including Equity & Law Unit Trust, Equity & Law Unit Trust Managers, and others.

Table listing unit trusts including Granite Unit Trust, Granite Unit Trust Managers, and others.

Table listing unit trusts including Lloyds Unit Trust, Lloyds Unit Trust Managers, and others.

Table listing unit trusts including National Unit Trusts, National Unit Trust Managers, and others.

Table listing unit trusts including Prudential Unit Trusts, Prudential Unit Trust Managers, and others.

Table listing unit trusts including Smith & Williamson Unit Trusts, Smith & Williamson Unit Trust Managers, and others.

GUIDE TO UNIT TRUST PRICING. This section provides detailed information on how unit trust prices are calculated, including the inclusion of expenses and the effect of currency fluctuations.

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Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

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Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', 'GUERNSEY (ISB RECOGNISED)', 'LUXEMBOURG (ISB RECOGNISED)', 'JERSEY (**)', and 'SWITZERLAND (ISB RECOGNISED)'.

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

Table of BRITISH FUNDS, columns include Name, Price, Yield, and other financial metrics.

Table of BRITISH FUNDS - Cont'd, columns include Name, Price, Yield, and other financial metrics.

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Table of BRITISH FUNDS - Cont'd, columns include Name, Price, Yield, and other financial metrics.

Table of BRITISH FUNDS - Cont'd, columns include Name, Price, Yield, and other financial metrics.

Table of COMMONWEALTH & AFRICAN LOANS, columns include Name, Price, Yield, and other financial metrics.

Table of FOREIGN BONDS & RAILS, columns include Name, Price, Yield, and other financial metrics.

Table of AMERICANS, columns include Name, Price, Yield, and other financial metrics.

Table of MONEY MARKET BANK ACCOUNTS, columns include Name, Price, Yield, and other financial metrics.

Table of MONEY MARKET TRUST FUNDS, columns include Name, Price, Yield, and other financial metrics.

UNIT TRUST NOTES: Prices are in pence unless otherwise indicated and these are actual rates after deduction of OLI or LDR (2.00% gross) and include all charges.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing multiple columns of stock data, including company names, prices, and various financial metrics. The table is organized into several sections: AMERICANS - Contd, BUILDING, TIMBER, ROADS, DRAPERY AND STORES - Contd, ENGINEERING, INDUSTRIALS (Miscel.) - Contd, CANADIANS, BANKS, HP & LEASING, CHEMICALS, PLASTICS, FOOD, GROCERIES, ETC, BEERS, WINES & SPIRITS, DRAPERY AND STORES, HOTELS AND CATERERS, BUILDING, TIMBER, ROADS, and INDUSTRIALS (Miscel.).

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

INSURANCES - Contd

Table of insurance companies including Aviva, British American, and others, with columns for stock price, high, low, and volume.

LEISURE

Table of leisure companies including British Airways, British Rail, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table of paper, printing, and advertising companies including News International and others.

PROPERTY

Table of property companies including British Land and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies including British Aerospace and others.

Commercial Vehicles

Table of commercial vehicle companies including Leyland and others.

Components

Table of component companies including Lucas and others.

Garages and Distributors

Table of garage and distributor companies including Halfords and others.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher companies including News International and others.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising companies including News International and others.

SHIPPING

Table of shipping companies including British Overseas Airways and others.

SHOES AND LEATHER

Table of shoes and leather companies including Clarks and others.

SOUTH AFRICANS

Table of South African companies including Anglo American and others.

TEXTILES

Table of textile companies including British Textiles and others.

TOBACCO

Table of tobacco companies including British American Tobacco and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including British Land and others.

Investment Trusts

Table of investment trusts including British American Investment Trust and others.

TRUSTS, FINANCE, LAND - Contd

Table of trusts, finance, and land companies including British Land and others.

Finance, Land, etc

Table of finance, land, and other companies including British American Finance and others.

OIL AND GAS - Contd

Table of oil and gas companies including British Petroleum and others.

OVERSEAS TRADERS

Table of overseas traders including British Overseas Airways and others.

PLANTATIONS

Table of plantation companies including British Overseas Airways and others.

Rubbers, Palm Oil

Table of rubber and palm oil companies including British Overseas Airways and others.

Tees

Table of Tees companies including British Overseas Airways and others.

MINES

Table of mining companies including British American Mining and others.

Central Rand

Table of Central Rand companies including British American Mining and others.

Eastern Rand

Table of Eastern Rand companies including British American Mining and others.

Far West Rand

Table of Far West Rand companies including British American Mining and others.

O.F.S.

Table of O.F.S. companies including British American Mining and others.

Diamond and Platinum

Table of diamond and platinum companies including British American Mining and others.

Central African

Table of Central African companies including British American Mining and others.

Finance

Table of finance companies including British American Finance and others.

MINES - Contd

Table of mining companies including British American Mining and others.

Miscellaneous

Table of miscellaneous companies including British American Mining and others.

THIRD MARKET

Table of third market companies including British American Mining and others.

NOTES

Stock Exchange dealing classification codes are indicated to the right of the company name. A, Alpha B, Beta, Gamma. Unless otherwise indicated, prices and dividends are in pence and denominated in 25c. Estimated prices and dividends are based on latest annual reports and accounts and, where available, on the latest quarterly figures. This compares with the previous period on a 'like-for-like' basis. Dividends are shown in pence per share unless otherwise stated. Dividends are shown in pence per share unless otherwise stated. Dividends are shown in pence per share unless otherwise stated.

REGIONAL & IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

IRISH

Table of Irish stocks including Anglo Irish Bank and others.

TRADITIONAL OPTIONS

3-month call rates

Industrials

Table of industrial options including British American and others.

Property

Table of property options including British Land and others.

Oil

Table of oil options including British Petroleum and others.

Mines

Table of mining options including British American Mining and others.

This service is available to every company dealt in on the Stock Exchange throughout the United Kingdom for a fee of 500p per annum for each security.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound await data

TRADING WAS quiet and steady on the foreign exchanges yesterday, but this could be a lull before a storm...

The two currencies are suffering from totally different pressures at present, with the dollar very firm and sterling vulnerable to any bad news...

Intervention by the Japanese authorities was estimated at around \$1bn to \$1.5bn and was regarded as a continuation of action by the US Federal Reserve...

The market was left in a situation of jockeying for position ahead of today's announcement of the April US trade figures...

tions in the belief the trade data will be good. According to MMS International, the median estimate for the April deficit is \$8.7bn...

Last night in London the dollar closed at the day's high of DM2.0300 compared with DM2.0280 on Tuesday...

Sterling was reasonably steady, awaiting today's economic data. Pears of a rift within the UK Government on economic policy continued to weigh on the pound...

The pound eased 10 points to \$1.5100, but rose to DM3.0750 on DM3.0725 and to FRF4.4275 from FF11.4150...

EMS FOREIGN CURRENCY UNIT RATES

Table with columns for Country, Unit, Rate, % change from central, % change from divergence, and Divergence limit %.

C IN NEW YORK

Table with columns for Date, Last, and Previous.

STERLING INDEX table with columns for Date, Last, and Previous.

CURRENCY RATES

Table with columns for Country, Bank, and Rate.

CURRENCY MOVEMENTS

Table with columns for Country, Bank, and Change.

OTHER CURRENCIES

Table with columns for Country, Bank, and Rate.

MONEY MARKETS

UK rates unsettled

UK INTEREST rates held steady in London yesterday as sterling showed little overall change after the sharp losses earlier in the week...

Three-month interbank money was quoted at 14 1/4-1/2 per cent from 14 1/4-1/2 per cent...

The Bank of England forecast a surplus of around £500m. Factors affecting the market included bills maturing in official hands and a take up of Treasury bills...

EMERGENCY CURRENCY UNIT RATES

Table with columns for Country, Unit, Rate, % change from central, % change from divergence, and Divergence limit %.

POUND SPOT-FORWARD AGAINST THE POUND

Table with columns for Date, Day's spot, One month, Three months, Six months, and One year.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table with columns for Date, Day's spot, One month, Three months, Six months, and One year.

EURO-CURRENCY INTEREST RATES

Table with columns for Date, Short term, 7 Day notice, One month, Three months, Six months, and One year.

EXCHANGE CROSS RATES

Table with columns for Date, C, S, DM, Yen, FFr, SFr, Hk\$, Lin, CS, B.P.

FINANCIAL FUTURES

Nervous tone persists

INTEREST RATE futures lost ground in the sterling sector of the Life market yesterday. While values finished down from Tuesday's close, there was a small recovery from the record lows touched on Tuesday...

The September contract opened at 85.39 and fell to a low of 85.33 before closing at 85.43 compared with 85.42 previously...

UK authorities may have to increase bank base rates in an attempt to stem the pounds fall. Much will depend on UK average earnings, due for release today.

Elsewhere, West Germany bond futures rose after a generous allocation of funds by the Bundesbank to the money market. The September contract was very active, with over 34,000 lots changing hands...

Estimated volume total, Calls 250 Puts 125. Previous day's open lot, Calls 4819 Puts 15594.

Estimated volume total, Calls 197 Puts 121. Previous day's open lot, Calls 2258 Puts 2756.

Estimated volume total, Calls 2026 Puts 1305. Previous day's open lot, Calls 16175 Puts 7720.

Estimated volume total, Calls 18 Puts 51. Previous day's open lot, Calls 2558 Puts 5277.

Estimated volume total, Calls 703 Puts 534. Previous day's open lot, Calls 28,658 Puts 14,975 (all corrected).

Estimated volume total, Calls 18 Puts 51. Previous day's open lot, Calls 2558 Puts 5277.

LONDON (LIFFE)

Table with columns for Date, High, Low, and Prev.

Table with columns for Date, High, Low, and Prev.

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JOTTER PAD. EUROPEAN OPTIONS EXCHANGE. Table with columns for Date, Vol, Last, Vol, Last, Vol, Last, Stock.

CROSSWORD. No.6,960 Set by VIXEN.

Crossword puzzle grid with numbers in squares.

- 1 Left at home to occupy 24 across (8)
2 A bear the winter issue (6)
3 His states quite positively a rooster's to be changed (8)
4 The young creeds disorder (6)
5 Feeling a nose isn't well-shaped (8)
6 In time engineers concur (5)
7 Some regret only going to one school (4)
8 People entitled always to have an attendant around (7)
9 Bearing with insubstantial backing in the country (5)
10 Pay a call and find the joint all right inside (4,3)
11 A man's great fear of a certain area of Europe (6)
12 Disinclined for poetry? (6)
13 Released converse (5)
6 Gathering a variety of impressions (9)
7 One way rental is arranged for home (8)
8 A down-to-earth individual looking for growth (8)
9 I take a picture of the game (6)
10 Operating in earnest where skin-treatment is provided (9)
11 A little plaster seems best for tongues (4)
12 Jingle about fish that's staggering (7)
13 A Greek character surrounded by pet food (6)
14 Writing up a record, detectives will be quiet (6)
15 Opted to build up a store (5)
16 Solution to Puzzle No.6,958

DOWN. 1 Boxes with a key are not generally available (6)
2 Proceeding slowly in song composing (6)
3 Bearing with insubstantial backing in the country (5)
4 The god of love, in encompassing love, can be wearing (7)

FT LONDON INTERBANK FIXING

Table with columns for 6 months US dollar, 6 months US dollar, Bid 1/4, Offer 1/4.

MONEY RATES

Table with columns for New York, Treasury Bills and Bonds, Lanchtime, Prime rate, Broker loan rate, Fed funds, Fed funds at intervention.

Table with columns for Date, Overnight, 7 days notice, One month, Three months, Six months, and One year.

LONDON MONEY RATES

Table with columns for Date, Overnight, 7 days notice, One month, Three months, Six months, and One year.

WORLD STOCK MARKETS

Table of world stock markets including Australia, France, Germany, Italy, Japan, and various regional indices. Columns include stock names, prices, and percentage changes.

CANADA

Table of Canadian stock markets including Toronto and various regional indices. Columns include stock names, prices, and percentage changes.

INDICES

Table of various stock indices including Dow Jones, Nikkei, and others. Columns include index names, values, and percentage changes.

CANADA

Table of Canadian active stocks including Toronto and various regional indices. Columns include stock names, prices, and percentage changes.

NEW YORK ACTIVE STOCKS

Table of New York active stocks including various company names and their stock prices.

Small text block providing additional information or a disclaimer regarding the stock data.

TOKYO - Most Active Stocks

Table of Tokyo's most active stocks including various company names and their stock prices.

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12 ISSUES FREE

Text advertisement offering 12 issues of the magazine free to new subscribers.

Contact information for Frankfurt, including phone number 0130-5351.

FINANCIAL TIMES logo and branding at the bottom of the page.

44 Φ
3pm prices June 14

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

32 Month					12 Month					12 Month					12 Month					32 Month					32 Month																													
High	Low	Open	Close	Chg.	High	Low	Open	Close	Chg.	High	Low	Open	Close	Chg.	High	Low	Open	Close	Chg.	High	Low	Open	Close	Chg.	High	Low	Open	Close	Chg.	High	Low	Open	Close	Chg.	High	Low	Open	Close	Chg.	High	Low	Open	Close	Chg.										
20 1/2	18 1/2	19	19 1/2	+ 1/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 1/2	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4					
20 1/2	18 1/2	19	19 1/2	+ 1/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 1/2	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4	18 3/4	17 1/4	18	18 1/2	+ 3/4

Continued on Page 45

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for Stock, Div, Yld, High, Low, and Close. Includes a 'Continued from previous page' note and a detailed list of stock prices.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices June 14

Table of Over-the-Counter prices with columns for Stock, Div, Yld, High, Low, and Close. Includes a note: 'Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks...'

AMEX COMPOSITE PRICES

3pm prices June 14

Table of AMEX Composite Prices with columns for Stock, Div, Yld, High, Low, and Close.

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Advertisement for 'It's attention to detail' with 'AMSTERDAM Marriott HOTEL' logo.

